

FEDERAL REGISTER

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TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

[Civil Air Regs., Amdt. 61-2]

PART 61—SCHEDULED AIR CARRIER RULES CEILING MINIMA FOR ALTERNATE AIRPORTS EQUIPPED WITH ILS OR GCA

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 1st day of May 1950.

Current provisions of Part 61 with respect to ceiling and visibility minima were established prior to the time of full development, installation, and use of ILS and GCA and, therefore, in so far as alternate airports are concerned, they do not in any way recognize the additional contribution to air safety afforded by these systems.

The Board has been advised that in some instances where all the en route destination airports may have the required ILS or GCA minima it is difficult to locate a convenient alternate airport with ceiling and visibility which conform to the requirements of Part 61. The Board finds that the reduction of ceiling minima by 200 feet for alternate airports for scheduled air carriers in the United States, where such airports have radio range, and ILS or GCA systems, will not adversely affect air safety. It will be noted that no change is made in the visibility minima.

Interested persons have been afforded an opportunity to participate in the making of this amendment, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing the Civil Aeronautics Board hereby amends Part 61 (14 CFR, Part 61, as amended) effective June 5, 1950.

By amending § 61.204 by adding a new paragraph (a) (4) to read as follows:

§ 61.204 *Types of alternate airports.*

(a)

(4) The ceilings referred to in subparagraphs (1), (2), and (3) of this paragraph, when the alternate is equipped with a radio range and either an instrument landing system or a ground control approach system, for which the carrier has been approved, may be reduced 200 feet.

(Sec. 205, 52 Stat. 984; 49 U. S. C. 245. Interprets or applies secs. 601, 604, 605, 52 Stat. 1007, 1010; 49 U. S. C. 551, 554, 555)

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[P. R. Doc. 50-3777; Filed, May 3, 1950;
8:49 a. m.]

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T. D. 52464]

PART 22—DRAWBACK

MERCHANDISE NOT CONFORMING TO SAMPLE OR SPECIFICATIONS

1. Section 22.36 (b), Customs Regulations of 1943 (19 CFR 22.36 (b)), is hereby amended to read as follows:

(b) All applications for the exportation of merchandise not conforming to sample or specifications shall be executed in the name of the importer of record, unless another person has been named in the entry as the actual owner and the declaration of such owner has been timely filed, in which case such owner shall file the application in his own name. The application shall be accompanied by a copy of the order for the merchandise, copies of any preliminary correspondence, and the samples or specifications on which the merchandise was ordered, together with a sworn statement of the actual owner that the sample or specifications submitted are those on which the merchandise was ordered, showing in detail in what manner the merchandise does not conform to sample or specifications. If no written order was placed and no sample or specifications are available, a sworn statement of the actual owner setting forth the specifications of his order and the method by which they were communicated to the seller may be accepted. In doubtful cases the collector may decline to allow the claim unless there is produced corroboration by the shipper of the specifications, or other evidence

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FEDERAL REGISTER

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sufficient in the opinion of the collector to establish the claim.

(Sec. 313, 46 Stat. 693, secs. 402, 403, 49 Stat. 1960, sec. 624, 46 Stat. 759; 19 U. S. C. 1313, 1624)

2. The first two sentences of § 22.37 (c), Customs Regulations of 1943, are hereby amended to read as follows: "The application and the entry, fully executed in duplicate on customs Forms 7537 and 7539, shall accompany or be mailed simultaneously with the parcel, unless such forms are not available to the exporter or unless the information necessary to complete the forms is not available at the time of mailing, in which case the merchandise may be submitted without these forms to the postmaster for delivery to the collector of customs. When the application and the entry covering the returned merchandise are not received by the collector, immediately upon receipt of such parcel he shall furnish the exporter with copies of customs Forms 7537 and 7539 for prompt execution and return."

(Sec. 313, 46 Stat. 693, secs. 402, 403, 49 Stat. 1960, sec. 624, 46 Stat. 759; 19 U. S. C. 1313, 1624)

3. The second sentence of § 22.37 (e), Customs Regulations of 1943, is hereby amended to read as follows: "If the application has been approved and the

merchandise is to be exported otherwise than by mail, the importer or whom-ever he may designate in writing shall file with the collector of customs in duplicate at least 6 hours before lading of the merchandise, an entry on customs Form 7539, and the export procedure and liquidation of the entry shall be the same, so far as applicable, as that governing the exportation with benefit of drawback of merchandise from continuous customs custody."

(Sec. 813, 46 Stat. 693, secs. 402, 403, 49 Stat. 1960, sec. 624, 46 Stat. 759; 19 U. S. C. 1313, 1624)

4. Section 22.38, Customs Regulations of 1943, is hereby amended by inserting a period after "interest"; by deleting the remainder of the sentence; and by substituting in lieu thereof the following: "If the merchandise is not exported within 90 days from the date of notification of approval of the application for exportation, it shall be treated as unclaimed, except that the 90-day period may be extended for not more than 90 days by the collector upon written request by the original applicant."

(Sec. 313, 46 Stat. 693, secs. 402, 403, 49 Stat. 1960, sec. 624, 46 Stat. 759; 19 U. S. C. 1313, 1624)

[SEAL]

FRANK DOW,
Commissioner of Customs.

Approved: April 27, 1950.

JOHN S. GRAHAM,
Acting Secretary of the
Treasury.

[F. R. Doc. 50-3789; Filed, May 3, 1950;
8:51 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Subtitle A—Office of the Administrator, Housing and Home Finance Agency

PART 1—DISPOSITION OF FEDERALLY OWNED WAR HOUSING

REVOCATION OF PART

In view of the express statutory provisions contained in Title II of the Housing Act of 1950 (Pub. Law 475, 81st Cong.) with respect to the disposition of the Government's interest in war and veterans' housing, §§ 1.1 to 1.16, inclusive, Part 1, Disposition of Federally owned War Housing (13 F. R. 8261-63), known as Public Regulation No. 1 of the Housing and Home Finance Agency, are hereby revoked. This revocation of §§ 1.1 to 1.16, inclusive, shall not be construed to affect or impair any contract, remedy, right, or obligation which has accrued or any actions heretofore taken under or by virtue of said §§ 1.1 to 1.16, inclusive, prior to the date of this revocation. (The delegation of powers to the Public Housing Commissioner contained in section IV (e) of the delegation issued January 21, 1950 (15 F. R. 369-372) is applicable to the powers and functions

vested in the Housing and Home Finance Administrator by the said title II of the Housing Act of 1950.)

Approved this 1st day of May 1950.

B. T. FITZPATRICK,
Acting Administrator.

[F. R. Doc. 50-3787; Filed, May 3, 1950;
8:50 a. m.]

Chapter III—Public Housing Administration, Housing and Home Finance Agency

PART 340—WAR HOUSING PROGRAM; POLICY

PART 350—VETERANS' EMERGENCY HOUSING PROGRAM; POLICY

DISPOSITION OF FEDERALLY PROVIDED WAR AND VETERANS' HOUSING PROJECTS AND FEDERAL RIGHTS IN VETERANS' HOUSING PROJECTS

1. Section 340.5 *Disposition of federally owned war housing projects* is amended to read as follows:

§ 340.5 *Disposition of federally provided war and veterans' housing projects.* Section IV (e) of the notices section (15 F. R. 369, 372) delegates to the Public Housing Commissioner responsibility for the disposition of war and veterans' housing projects, or parts thereof. War and veterans' housing projects, or parts thereof (including personal property, utilities, community and commercial facilities, and vacant lands held in connection therewith and Federal rights with respect thereto), shall be disposed of by the Public Housing Administration in accordance with the provisions of Public Law 849, 76th Congress, as amended, including the amendments contained in Public Law 475, 81st Congress. Public announcement shall be made of any proposed disposition except to Federal, State, or local governmental agencies or to special classes of persons or organizations authorized by law to acquire such projects or parts thereof. Such announcement shall state the place where detailed information may be obtained as to the specific sales plan, order of preference, operation of preference system, sales price, and other terms and conditions. Information as to the disposal of any particular project may be obtained from the Field Office of the area in which the project is located (see 15 F. R. 184).

(Sec. 8, 50 Stat. 891; 42 U. S. C. and Supp., 1408. Interprets or applies secs. 201-205, 54 Stat. 681, as amended; 42 U. S. C. and Supp., 1501-1505)

2. The following section is hereby added:

§ 350.3 *Disposition of Federal rights in veterans' housing projects.* Section IV (e) of the notices section (15 F. R. 369, 372) delegates to the Public Housing Commissioner responsibility for the disposition of war and veterans' housing, or parts thereof. Such responsibility

will be discharged in accordance with § 340.5 of this chapter.

(Sec. 11, 54 Stat. 1128; 42 U. S. C. 1548. Interprets or applies secs. 501-503, 59 Stat. 260, as amended; 42 U. S. C. 1571-1573)

Approved: May 1, 1950.

[SEAL]

JOHN TAYLOR EGAN,
Commissioner.

[F. R. Doc. 50-3779; Filed, May 3, 1950;
8:49 a. m.]

Chapter VIII—Office of Housing Expediter

[Controlled Housing Rent Reg., Amdt. 242]

[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg., Amdt. 239]

PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

INDIANA AND NORTH CAROLINA

The Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92) are amended in the following respects:

1. Schedule A, Item 104, is amended to describe the counties in the defense-rental area as follows:

Tippecanoe County, except the City of West Lafayette.

This decontrols the City of West Lafayette in the Lafayette, Indiana, Defense-Rental Area, based on a resolution submitted in accordance with section 204 (j) (3) of the Housing and Rent Act of 1947, as amended.

2. Schedule A, Item 212c, is amended to read as follows:

(212c) [Revoked and decontrolled.]

This decontrols (1) the City of Charlotte, North Carolina, in the Charlotte, North Carolina, Defense-Rental Area, and all unincorporated localities in said defense-rental area, based on a resolution submitted in accordance with section 204 (j) (3) of the Housing and Rent Act of 1947, as amended, said City of Charlotte constituting the major portion of said defense-rental area, and (2) the remainder of said defense-rental area, on the Housing Expediter's own initiative under section 204 (c) of the Housing and Rent Act of 1947, as amended.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Supp. 1894)

This amendment shall become effective May 1, 1950.

Issued this 1st day of May 1950.

TIGHE E. WOODS,
Housing Expediter.

[F. R. Doc. 50-3765; Filed, May 3, 1950;
8:48 a. m.]

TITLE 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 8—POSTAGE STAMPS AND OTHER STAMPED PAPER AND SECURITIES

REQUISITIONS FOR STAMPED PAPER STOCK

In § 8.19 *Requisitions for stamps and stamped paper*, (39 CFR 8.19), amend paragraph (a) to read as follows:

§ 8.19 *Requisitions for stamps and stamped paper*—(a) *Making of*. Requisitions for postage stamps of all kinds, books of stamps, postage due, special delivery, and stamped envelopes ("ordinary," "special request," or "office request"), postal cards, and international reply coupons, shall be made by direct and central accounting postmasters on the Assistant Postmaster General, Division of Stamps, on Forms 3201, 3201-A, 3201-B, and 3202. Requisitions for United States savings stamps shall be made by central accounting postmasters and the Postmaster at Washington, D. C. on the Assistant Postmaster General, Division of Stamps, on Form PS-311-B. Telegraphic requisitions are objectionable. If deemed advisable, the Department may furnish more or less stamped paper than the amount for which requisition is made by the postmaster. District postmasters shall draw requisitions on their central accounting postmasters, using Form 017-FC. (See Manual of Instructions for Postal Personnel for printed envelopes.)

(R. S. 161, 396, 3918, secs. 304, 309, 42 Stat. 24, 25; 5 U. S. C. 22, 369, 39 U. S. C. 361)

[SEAL]

J. M. DONALDSON,
Postmaster General.

[F. R. Doc. 50-3755; Filed, May 3, 1950;
8:47 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

PART 8—SHIP RADIO SERVICE

PART 13—COMMERCIAL RADIO OPERATORS

MISCELLANEOUS AMENDMENTS

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 28th day of April, 1950;

The Commission having under consideration its previous actions whereby, under the provisions of section 318 of the Communications Act of 1934, as amended, the requirement of licensed radio operators for ship radar stations licensed in the Ship Service was waived, subject to certain provisions, for a continuous over-all period from December 15, 1947, to May 15, 1950, and whereby temporary rules in line with and of the same duration as the aforesaid temporary waiver were promulgated; and

having before it a proposal to extend the duration of the aforesaid waiver and temporary rules to January 2, 1951;

It appearing, that on September 20, 1949, a general public hearing and oral argument was concluded in the matter of proposed permanent rules to govern operator license requirements for ship radar stations licensed in the Ship Service, but permanent rules will not be adopted prior to May 15, 1950; and

It further appearing, that pending the final adoption of permanent rules governing operator license requirements as aforesaid, it is necessary to continue beyond May 15, 1950, the temporary rules governing operator license requirements for ship radar stations licensed in the Ship Service; and

It further appearing, that because of the temporary nature of the proposed extension, and because of the opportunity which has been afforded to all interested persons to submit comments on the subject of operator requirements for ship radar stations licensed in the Ship Service, as well as the opportunity which has been afforded to all such persons to participate in the above-mentioned general public hearing and oral argument, and because the need for the continuance of the temporary rules is urgent, the public notice and procedure provided for in section 4 of the Administrative Procedure Act are found to be impracticable and unnecessary herein, and for the same reasons, and because the extension of the temporary rules in question will continue to relieve a restriction such extension should be made effective immediately; and

It further appearing, that, unless the waiver hereinabove referred to of the requirements of section 318 of the act is extended, the provisions of that section will, after May 15, 1950, require ship radar stations licensed in the Ship Service to be operated by licensed radio operators; and

It further appearing, that under the provisions of section 318 aforesaid, the Commission may waive the requirement of licensed radio operators for ship radar stations licensed in the Ship Service if the Commission first shall find that such a waiver will serve the public interest, convenience, or necessity; and

It further appearing, that under Commission Order 133, dated May 10, 1946, the Commission waived to a limited extent the licensed radio operator requirements of section 318 aforesaid with regard to shipboard radar stations licensed in the Experimental Service; and

It further appearing, that during the interim period preceding the final adoption and effectiveness of permanent rules governing operator license requirements for ship radar stations licensed in the Ship Service, radar stations so licensed can be as well operated by unlicensed personnel as can radar stations licensed in the Experimental Service; and

It further appearing, that under the foregoing circumstances it will serve the public interest and convenience tempo-

rarily to waive to the same extent as now provided in the Experimental Service by Order 133, the licensed radio operator requirements with regard to ship radar stations licensed in the Ship Service; and

It further appearing, that authority to accomplish the aforesaid objective is contained in sections 303 (f), (g), (i), and 318 of the Communications Act of 1934, as amended;

It is ordered, That, effective May 15, 1950, the provisions of section 318 aforesaid, are hereby waived insofar as such provisions require any person to hold a radio operator license issued by this Commission in order to operate ship radar stations licensed by this Commission in the Ship Service: *Provided*, That this waiver shall extend only to the normal operation of such radar stations on board ship and shall not be construed to permit unlicensed personnel to make any adjustments or to do any servicing or maintenance that may affect the proper operation of the station: *Provided further*, That this waiver shall not be construed to affect in any way the responsibility of the station licensee for the proper operation of the station: *And provided further*, That the waiver herein ordered may, in the discretion of the Commission and without hearing, be changed or cancelled by order of the Commission, and shall in no event extend beyond the effective date of permanent rules adopted by the Commission governing operator license requirements for ship radar stations licensed in the Ship Service;

It is further ordered, That effective May 15, 1950, Parts 8 and 13 of the Commission's rules governing Ship Service and Commercial Radio Operators, respectively, are amended as follows:

1. Footnote 71 to § 8.195 is amended as follows:

a. By deleting in the first sentence the phrase "and November 15, 1949" and substituting therefor the phrase "November 15, 1949 and May 15, 1950".

b. By deleting in the last sentence thereof the phrase "May 15, 1950" and substituting therefor the phrase "January 2, 1951".

2. The fourth footnote appended to § 13.1 which footnote commences "By order dated and effective December 15, 1947 * * *", is amended as follows:

By deleting the phrase "and November 15, 1949", and substituting therefor the phrase "November 15, 1949 and May 15, 1950".

(Sec. 303, 48 Stat. 1082; 47 U. S. C. 303. Interpret or apply sec. 318, 48 Stat. 1089, as amended; 47 U. S. C. 318)

Adopted: April 28, 1950.

Released: April 28, 1950.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3791; Filed, May 3, 1950;
8:53 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE TREASURY

Bureau of Internal Revenue

[26 CFR, Part 190]

RECTIFICATION OF SPIRITS AND WINES

NOTICE OF PROPOSED RULE-MAKING

A notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority of sections 2800, 2801, 2802, 2803, 2804, 2806, 2810, 2812, 2813, 2815, 2818, 2819, 2828, 2829, 2830, 2831, 2832, 2834, 2835, 2855, 2856, 2857, 2858, 2859, 2861, 2862, 2863, 2866, 2867, 2868, 2869, 2870, 2871, 2883, 3030, 3040, 3043, 3103, 3170, 3171, 3172, 3173, 3175, 3176, 3179, 3182, 3250, 3254, 3270, 3271, 3272, 3300, 3301, 3304, 3601, 3656, and 3809, Internal Revenue Code; section 3, 49 Stat. 978; 27 U. S. C., 203; section 5, 49 Stat. 981, as amended; 27 U. S. C., section 205; and section 6, 49 Stat. 985; 27 U. S. C., 206.

[SEAL] GEO. J. SCHOENEMAN,
Commissioner of Internal Revenue.
[Regulations 15]

PART 190—RECTIFICATION OF SPIRITS AND WINES

1. These regulations shall, on and after September 1, 1950, supersede Regulation 15 (26 CFR, Part 190; 5 F. R. 2020) as amended.

2. These regulations shall not affect or limit any act done or any liability incurred under any regulations superseded hereby, or any suit, action, or proceeding had or commenced in any civil, administrative, or criminal cause and proceeding prior to the effective date of these regulations, nor shall these regulations release, acquit, affect, or limit any offense committed in violation of previously existing regulations, or any penalty, liability or forfeiture incurred prior to such date.

LAWS OF MORE COMMON APPLICATION PERTAINING TO THE RECTIFICATION OF SPIRITS AND WINES

Sec.	
2800 I. R. C.	Tax.
2801 I. R. C.	Rectified spirits.
2802 I. R. C.	Stamps for distilled spirits.
2803 I. R. C.	Stamps for containers of distilled spirits.
2804 I. R. C.	Detention of casks or packages on suspicion.
2806 I. R. C.	Penalties and forfeitures.
2810 I. R. C.	Registry of stills.
2812 I. R. C.	Notice of business of distiller or rectifier.

Sec.	
2813 I. R. C.	Notice of intention to rectify.
2815 I. R. C.	Conditions of approval of distiller's bond.
2818 I. R. C.	Notice of manufacture of and permit to set up still.
2819 I. R. C.	Premises prohibited for distilling.
2828 I. R. C.	Distillers and rectifiers to furnish facilities and give assistance for examination of premises.
2829 I. R. C.	Installation of meters, tanks, and other apparatus.
2830 I. R. C.	Officer's authority to break up grounds or walls.
2831 I. R. C.	Signs of distillers, rectifiers, and wholesale liquor dealers.
2832 I. R. C.	Conditions precedent to carrying on business of distilling.
2834 I. R. C.	Mash, wort, and vinegar; vinegar factories.
2835 I. R. C.	Vinegar factories operated prior to March 1, 1879.
2855 I. R. C.	Monthly returns of rectifiers.
2856 I. R. C.	Penalty for unlawful rectifying.
2857 I. R. C.	Books of rectifiers and wholesale dealers.
2858 I. R. C.	Exemption of States from provisions of section 2857.
2859 I. R. C.	Books of distillers as wholesale dealers.
2861 I. R. C.	Gauging, branding, and stamping rectified spirits.
2862 I. R. C.	Stamping.
2863 I. R. C.	Marking and stamping packages filled on premises of wholesale dealers.
2866 I. R. C.	Effacement of stamps and brands on emptied packages.
2867 I. R. C.	Buying or selling used casks bearing inspection marks.
2868 I. R. C.	Changing stamps or shifting spirits.
2869 I. R. C.	Affixing limitation stamps on packages of distilled spirits.
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2871 I. R. C.	Regulation of traffic in containers of distilled spirits.
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3043 I. R. C.	Penalties and forfeitures.
3103 I. R. C.	Exemption of industrial alcohol plants and warehouses from certain laws.
3170 I. R. C.	Transfer and delegation of powers.
3171 I. R. C.	Records, statements, and returns.
3172 I. R. C.	Discretionary method for collecting tax.
3173 I. R. C.	Penalties and forfeitures.
3175 I. R. C.	Other laws applicable.
3176 I. R. C.	Rules and regulations.
3179 I. R. C.	Exemption and drawback in case of exportation.
3182 I. R. C.	Volatile fruit-flavor concentrates.
3250 I. R. C.	Tax.
3254 I. R. C.	Definitions.
3270 I. R. C.	Registration.
3271 I. R. C.	Payment of tax.
3272 I. R. C.	Returns.
3300 I. R. C.	Establishment and alteration.
3301 I. R. C.	Attachment and cancellation.
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3801 I. R. C.	Entry of premises for examination of taxable objects.
3656 I. R. C.	Payment by check and money orders.
3809 I. R. C.	Verification of returns: Penalties of perjury.

161 R. S. (5 U. S. C. 22) Departmental Regulations.
3, 49 Stat. 978 (27 U. S. C. 203) Unlawful business without permit.
5, 49 Stat. 981 (27 U. S. C. 205) Unfair competition and unlawful practices.
6, 49 Stat. 985 (27 U. S. C. 206) Bulk scales and bottling.

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190.437 Disposition of approved Form 122.
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- 190.489 Blending constitutes rectification.
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- 190.518 Must conform to regulations.

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190.571 Determining contents by weight.
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TAXABLE PRODUCTS TO BE BOTTLED

- 190.585 Tax-payment.
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TAXABLE SPIRITS TO BE TRANSFERRED BY PIPE LINE TO CONTIGUOUS TAX-PAID BOTTLING HOUSE OR RECTIFYING PLANT

- 190.587 Certificate of tax-payment.
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 190.698 Testing of spirits dumped together for bottling.
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- 190.801 Packages.
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- Sec.
190.965 Furnished by Government.
190.966 Where locks are required.
190.967 Seal locks.
190.968 Plain locks.
190.969 Custody of locks.
190.970 Custody of keys.

SUBPART SS—OFFICER'S RIGHT OF ENTRY AND EXAMINATION

- 190.980 Authority to enter and inspect.
190.981 Authority to break up grounds or walls.
190.982 Rectifiers to furnish assistance.

AUTHORITY: §§ 190.1 to 190.982 issued under R. S. 161; 53 Stat. 375; 5 U. S. C. 22, 26 U. S. C. 3176. Interpret or apply 53 Stat.

Section	Description of tax	Old rate	War tax rate
3030 (a) (1)....	Still wines: (1) Not over 14% of alcohol. (2) Over 14% and not over 21% of alcohol. (3) Over 21% and not over 24% of alcohol.	10 cents per gallon..... 40 cents per gallon..... \$1 per gallon.....	15 cents per gallon. 60 cents per gallon. \$2 per gallon.
3030 (a) (2)....	Sparkling wines, liqueurs and cordials: (a) Champagne or sparkling wine. (2) Artificially carbonated wine. (3) Liqueurs, cordials, etc.	10 cents per half-pint or fraction thereof. 5 cents per half-pint or fraction thereof. 5 cents per half-pint or fraction thereof.	15 cents per half-pint or fraction thereof. 10 cents per half-pint or fraction thereof. 10 cents per half-pint or fraction thereof.

SEC. 2800, I. R. C. TAX—(a) Rate.

(5) Rectified spirits and wines. In addition to the tax imposed by this chapter on distilled spirits and wines, there shall be levied, assessed, collected, and paid, a tax of 30 cents on each proof gallon and a proportionate tax at a like rate on all fractional parts of such proof gallon on all distilled spirits or wines rectified, purified, or refined in such manner, and on all mixtures produced in such manner, that the person so rectifying, purifying, refining, or mixing the same is a rectifier within the meaning of section 3254 (g): *Provided*, That this tax shall not apply to gin produced by the redistillation of a pure spirit over juniper berries and other aromatics.

SEC. 2801, I. R. C. RECTIFIED SPIRITS.

(b) Proof and volume. When the process of rectification is completed and the taxes prescribed by section 2800 (a) (5) have been paid, it shall be unlawful for the rectifier or other dealer to reduce in proof or increase in volume such spirits or wine by the addition of water or other substance; nothing herein contained shall, however, prevent a rectifier from using again in the process of rectification spirits already rectified and upon which the taxes have theretofore been paid.

(c) Exemption from tax—(1) Cordials and liqueurs. The taxes imposed by section 2800 (a) (5) shall not attach to cordials or liqueurs on which a tax is imposed and paid under paragraph (1) or (2) of section 3030 (a), nor to the mixing and blending of wines, where such blending is for the sole purpose of perfecting such wines according to commercial standards, nor to blends made exclusively of two or more pure straight whiskies aged in wood for a period not less than four years and without the addition of coloring or flavoring matter or any other substance than pure water and if not reduced below ninety proof; nor to blends made exclusively of two or more pure fruit brandies distilled from the same kind of fruit, aged in wood for a period not less than two years and without the addition of coloring or flavoring matter or any other substance than pure water and if not reduced below ninety proof: *Provided*, That such blended whiskies

300; 26 U. S. C. 2801. Other statutory provisions interpreted or applied are cited to text in parentheses.

DERIVATION: §§ 190.1 to 190.982 are derived from Regulations 15, 1940 Edition (26 CFR 190); 5 F. R. 2020, except as noted following sections affected, and except as amended by this notice.

SEC. 1650, I. R. C. WAR TAX RATES OF CERTAIN MISCELLANEOUS TAXES. In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rates applicable with respect to the period beginning with the effective date of Title III of the Revenue Act of 1943 shall be the rates set forth under the heading "War Tax Rate";

and blended fruit brandies shall be exempt from tax under section 2800 (a) (5) only when compounded under the immediate supervision of a revenue officer, in such tanks and under such conditions and supervision as the Commissioner, with the approval of the Secretary, may prescribe.

(d) Regulations—Use of distilled spirits or wines. All distilled spirits or wines taxable under section 2800 (a) (5) shall be subject to uniform regulations concerning the use thereof in the manufacture, blending, compounding, mixing, marking, branding, and sale of whisky and rectified spirits, and no discrimination whatsoever shall be made by reason of a difference in the character of the material from which same may have been produced.

(e) Rectifying—(1) Regulations. The business of a rectifier of spirits shall be carried on, and the tax on rectified spirits shall be paid, under such rules, regulations, and bonds as may be prescribed by the Commissioner, with the approval of the Secretary. The Commissioner, with the approval of the Secretary, shall prescribe such regulations under this section and paragraph (5) of section 2800 (a) as he deems necessary.

(2) Premises of rectifier. The premises of a rectifier shall be as described in his notice, and, whether they consist of an entire building or of rooms in a building, shall have means of ingress from and egress into a public street or yard, or into a public hall or elevator shaft leading into a public street or yard, and shall be used exclusively for the business of rectification and the bottling of liquors rectified by him thereon, and the bottling of wines and spirits without rectification. Any rectifier who uses his rectifying premises contrary to the provisions of this paragraph shall be fined not more than \$50 with respect to each day upon which any such use occurs, but shall not, on account of such use, be subject to the penalties otherwise prescribed in this section.

(3) Filtering and purifying wines. The filtering, clarifying, or purifying of wines on bonded winery premises or bonded storeroom premises shall not be deemed to be rectification within the meaning of section 3254 (g).

(4) Vermouth manufactured with fortified wines. The manufacture of vermouth with fortified sweet wine on bonded winery

premises shall not be deemed to be rectification within the meaning of section 3254 (g), if distilled spirits other than necessary in the production of approved essences, used in the manufacture of vermouth, whether or not such essences are produced on the bonded winery premises, are not added to the fortified sweet wine used in the manufacture thereof or to such vermouth during or after its manufacture. Such vermouth may be manufactured on bonded winery premises, but only in a separate department thereof under such supervision and in accordance with such regulations as the Commissioner, with the approval of the Secretary, shall prescribe. The provisions of this paragraph shall apply in the same manner and to the same extent to aperitif wines other than vermouth.

(5) Blending of beverage brandies. Fruit brandies distilled from the same kind of fruit at not more than one hundred and seventy degrees proof may, for the sole purpose of perfecting such brandies according to commercial standards, be mixed or blended with each other, or with any such mixture or blend, by the distiller thereof in any internal revenue bonded warehouse operated by him exclusively for the storage of brandy or wine spirits, and the provisions of this section and of sections 2800 (a) (5) and 3254 (g) relating to rectification or other internal revenue laws of the United States shall not be held to apply to or prohibit such mixing or blending, and brandies so mixed or blended may be packaged, stored, transported, transferred in bond, withdrawn from bond taxpaid or tax-free, or be otherwise disposed of, in the same manner as such brandies not so mixed or blended: *Provided*, That, in addition to the tax imposed by this chapter on the production of distilled spirits, there shall be paid a tax of 30 cents as to each proof gallon (and a proportionate tax at a like rate on all fractional parts of such proof gallon) of brandy so mixed or blended (except when withdrawn tax-free and accounted for or when lost and allowance is made therefor), such tax to be paid by rectified spirits stamps affixed to the packages at the time of withdrawal. The Commissioner, under rules and regulations to be by him prescribed with the approval of the Secretary, upon the presentation of proof to his satisfaction of the loss by leakage, evaporation, theft, or otherwise of fruit brandies so blended or mixed, not occurring as the result of any negligence, connivance, collusion, or fraud on the part of the warehouseman or his agents, is hereby authorized to remit or refund the taxes assessed or paid upon such lost brandies: *Provided, however*, That such remission or refund shall be allowed only to the extent that the warehouseman is not indemnified or recompensed for such tax, and that losses of fruit brandies occurring prior to any such mixing or blending shall be allowable in accordance with section 2901. The term "distiller" as used herein shall include any one or more distillers associated as members of any farm cooperative, or any one or more distillers affiliated within the meaning of section 17 (a) (5) of the Federal Alcohol Administration Act, as amended, or any fruit distiller for whose account, recorded with the district supervisor at the time of production, the brandy to be blended was produced.

The Commissioner may, with the approval of the Secretary, make such rules or regulations as he may deem necessary to carry these provisions into effect.

(f) Penalties. Except as provided in subsection (e) (2), whoever violates any of the provisions of this section or section 2800 (a) (5) shall be deemed to be guilty of a misdemeanor and, upon conviction, shall be fined not more than \$1,000 or imprisoned not more than two years, and shall, in addition, be liable to double the tax evaded, together with the tax, to be collected by assessment or on any bond given.

SEC. 2802, I. R. C. STAMPS FOR DISTILLED SPIRITS—(a) Issue for restamping. The Commissioner may, under regulations prescribed by him with the approval of the Secretary, issue stamps for restamping packages of distilled spirits, which have been duly stamped but from which the stamps have been lost or destroyed by unavoidable accident.

(b) Accountability—(1) Other stamps. All stamps relating to distilled spirits, other than the tax-paid stamps, shall be charged to collectors; and the books containing such stamps may be intrusted by any collector to the storekeeper-gauger of the district, who shall make a daily report to the collector of all such stamps used by him and for whom used; and when all the stamps contained in any such book have been issued, the storekeeper-gauger of the district shall return the book to the collector, with all the marginal stubs therein. Except as provided in section 2878 (b), all export stamps issued to collectors shall be charged to them as representing the value of 10 cents for each stamp, and they shall collect the amount due for such stamps at the rate of 10 cents for each stamp issued in such manner and at such time as the Commissioner may prescribe, and the Commissioner may, in his discretion, make assessment therefor.

(c) Exchange of wholesale liquor dealers' stamps for rectified spirits stamps. Collectors shall not furnish wholesale liquor dealers' stamps in lieu of and in exchange for stamps for rectified spirits unless the package covered by stamp for rectified spirits is to be broken into smaller packages.

SEC. 2803, I. R. C. STAMPS FOR CONTAINERS OF DISTILLED SPIRITS—(a) Requirement. No person shall transport, possess, buy, sell, or transfer any distilled spirits, unless the immediate container thereof has affixed thereto a stamp denoting the quantity of distilled spirits contained therein and evidencing payment of all internal-revenue taxes imposed on such spirits. The provisions of this section shall not apply to—

- (1) Distilled spirits placed in a container for immediate consumption on the premises or for preparation for such consumption;
- (2) Distilled spirits in bond or in customs custody;
- (3) Distilled spirits in immediate containers required to be stamped under existing law;
- (4) Distilled spirits in actual process of rectification, blending, or bottling, or in actual use in processes of manufacture;
- (5) Distilled spirits on which no internal-revenue tax is required to be paid;
- (6) Distilled spirits not intended for sale or for use in the manufacture or production of any article intended for sale; or
- (7) Any regularly established common carrier receiving, transporting, delivering, or holding for transportation or delivery distilled spirits in the ordinary course of its business as a common carrier.

(b) Purchase and supply. Any person placing or intending to place any distilled spirits upon which all internal-revenue taxes have been paid into any container upon which a stamp is required by this section, or withdrawing or intending to withdraw any imported spirits in such containers from customs custody, shall be entitled to purchase sufficient stamps for stamping such containers. Such stamps shall be issued by the Commissioner to each Collector, upon his requisition, in such numbers as may be necessary in his district, and shall be sold by the Collectors to persons entitled thereto upon application therefor and compliance with regulations under this section, at a price of 1 cent for each stamp, except that in the case of stamps for containers of less than one half pint the price shall be one quarter of 1 cent for each stamp. When in his judg-

ment there is no danger to the revenue, and upon the giving of such bonds or other security as he may deem necessary, the Commissioner may authorize the sale of such stamps to importers for stamping containers in the country from which imported.

(c) Unused stamps: exchange, refund, etc. The Commissioner of Internal Revenue, under regulations prescribed by him and approved by the Secretary of the Treasury, may redeem or make allowance for any unused stamps issued under section 203 of the Liquor Taxing Act of 1934 or subsection (b) of this section by exchanging them for other stamps of the same kind or by refunding moneys received therefor: *Provided*, That stamps may be exchanged or the value thereof refunded only in quantities of the value of \$5 or more: *And provided further*, That no claim for the exchange of strip stamps or refund therefor shall be allowed unless presented within two years after the date on which such stamps were lawfully issued. There are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this provision.

(d) Regulations for issuing, affixing, and canceling stamps. The Commissioner, with the approval of the Secretary, shall prescribe (a) regulations with respect to the time and manner of applying for, issuing, affixing, and destroying stamps required by this section, the form and denominations of such stamps, proof that applicants are entitled to such stamps, and the method of accounting for receipts from the sale of such stamps, and (b) such other regulations as he shall deem necessary for the enforcement of this section.

(e) Destruction of stamps. Every person emptying any container stamped under the provisions of this section shall at the time of emptying such container destroy the stamp thereon.

(f) Forfeiture of spirits. All distilled spirits found in any container required to bear a stamp by this section, which container is not stamped in compliance with this section and regulations issued thereunder, shall be forfeited to the United States.

(g) Penalties. Any person who violates any provision of this section, or who, with intent to defraud, falsely makes, forges, alters, or counterfeits any stamp made or used under this section, or who uses, sells, or has in his possession any such forged, altered, or counterfeited stamp, or any plate or die used or which may be used in the manufacture thereof, or any stamp required to be destroyed by this section, or who makes, uses, sells, or has in his possession any paper in imitation of the paper used in the manufacture of any such stamp, or who reuses any stamp required to be destroyed by this section, or who places any distilled spirits in any bottle which has been filled and stamped under this section without destroying the stamp previously affixed to such bottle, or who affixes any stamp issued under this section to any container of distilled spirits on which any tax due is unpaid, or who makes any false statement in any application for stamps under this section, or who has in his possession any such stamps obtained by him otherwise than as provided in subsection (b), shall on conviction be punished by a fine not exceeding \$1,000, or by imprisonment at hard labor not exceeding five years, or by both. Any officer authorized to enforce any provisions of law relating to internal revenue stamps is authorized to enforce the provisions of this section and the provisions of section 2809 relating to the bottling of distilled spirits in bond.

SEC. 2804, I. R. C. DETENTION OF CASKS OR PACKAGES ON SUSPICION—(a) Power of revenue officer. It shall be lawful for any internal revenue officer to detain any cask or package containing, or supposed to con-

tain, distilled spirits, when he has reason to believe that the tax imposed by law upon the same has not been paid, or that the same is being removed in violation of law; and every such cask or package may be held by him at a safe place until it shall be determined whether the property so detained is liable by law to be proceeded against for forfeiture; but such summary detention shall not continue in any case longer than forty-eight hours without process of law or intervention of the officer to whom such detention is to be reported.

SEC. 2806, I. R. C. PENALTIES AND FORFEITURES.

(e) Evasion of tax, penalty. Whenever any person evades, or attempts to evade, the payment of the tax on any distilled spirits, in any manner whatever, he shall forfeit and pay double the amount of the tax so evaded or attempted to be evaded.

SEC. 2810, I. R. C. REGISTRY OF STILLS—(a) Requirement. Every person having in his possession or custody, or under his control, any still or distilling apparatus set up, shall register the same with the collector of the district in which it is, by subscribing and filing with him duplicate statements, in writing, setting forth the particular place where such still or distilling apparatus is set up, the kind of still and its cubic contents, the owner thereof, his place of residence, and the purpose for which said still or distilling apparatus has been or is intended to be used; one of which statements shall be retained and preserved by the collector, and the other transmitted by him to the Commissioner. Stills and distilling apparatus shall be registered immediately upon their being set up.

Every still or distilling apparatus not so registered, together with all personal property in the possession or custody, or under the control of such person, and found in the building, or in any yard or inclosure connected with the building in which the same may be set up, shall be forfeited.

And every person having in his possession or custody, or under his control, any still or distilling apparatus set up which is not so registered, shall pay a penalty of \$500, and shall be fined not less than \$100, nor more than \$1,000, and imprisoned for not less than one month, nor more than two years.

Stills and distilling apparatus set up at refineries for the refining of crude petroleum or the production of petroleum products and not used in the manufacture of distilled spirits are not required to be registered under this section.

SEC. 2812, I. R. C. NOTICE OF BUSINESS OF DISTILLER OR RECTIFIER—(a) Requirements. Every person engaged in, or intending to be engaged in, the business of a distiller or rectifier, shall give notice in writing, subscribed by him, to the collector of the district wherein such business is to be carried on, stating his name and residence, and if a company or firm, the name and residence of each member thereof, the name and residence of every person interested or to be interested in the business, the precise place where said business is to be carried on, and whether of distilling or rectifying; and if such business is carried on in a city, the residence and place of business shall be indicated by the name of the street and number of the building. In case of a distiller, the notice shall also state the kind of stills and the cubic contents thereof, the number and kind of boilers, the number of mash tubs and fermenting tubs, the cubic contents of each tub, the number of receiving cisterns, the cubic contents of each cistern, the number of hours in which the distillery will ferment each tub of mash or beer, the estimated

quantity of distilled spirits which the apparatus is capable of distilling every twenty-four hours, a particular description of the lot or tract of land on which the distillery is situated, and of the buildings thereon, including their size, material, and construction; and that said distillery premises are not within six hundred feet (or the distance permitted by the Secretary pursuant to law), in a direct line, of any premises authorized to be used for rectifying or refining distilled spirits by any process.

In case of a rectifier, the notice shall state the precise place where such business is to be carried on, the name and residence of every person interested or to be interested in the business, the process by which the applicant intends to rectify, purify, or refine distilled spirits, the kind and cubic contents of any still used or to be used for such purpose, the estimated quantity of spirits which can be rectified, purified, or refined every twenty-four hours in such establishment, and that said rectifying establishment is not within six hundred feet (or the distance permitted by the Secretary pursuant to law), in a direct line, of the premises of any distillery registered for the distillation of spirits.

In case of any change in the location, form, capacity, ownership, agency, superintendency, or in the persons interested in the business of such distillery or rectifying establishment, or in the time of fermenting the mash or beer, notice thereof, in writing, shall be given to the said collector or proper deputy collector, of the district within twenty-four hours after such change; and any deputy collector receiving such notice shall immediately transmit the same to the collector of the district. Every notice required by this section shall be in such form, and shall contain such additional particulars, as the Commissioner may, from time to time, prescribe.

Every person who fails or refuses to give such notice shall pay a penalty of \$1,000, and shall be fined not less than \$100 nor more than \$2,000; and every person who gives a false or fraudulent notice shall, in addition to such penalty or fine, be imprisoned not less than six months nor more than two years.

SEC. 2813, I. R. C. NOTICE OF INTENTION TO RECTIFY—(a) Requirements. When any rectifier intends to rectify or compound any distilled spirits he shall, before emptying any package of distilled spirits for that purpose, give notice in duplicate to the collector for the district of his intention so to rectify, and, except as provided in section 2861, submit such package for the inspection of a storekeeper-gauger, who shall duly weigh or gauge such package and its contents and make due return thereof, and such spirits shall not be emptied for rectification, nor rectified or compounded in the package, until gauged or weighed as hereinabove provided. And such notice and return shall be made in such form and contain such particulars as the Commissioner, with the approval of the Secretary, may from time to time prescribe.

SEC. 2815, I. R. C. CONDITIONS OF APPROVAL OF DISTILLER'S BOND.

(b) Ownership of land or consent of owner—(1) Requirements.

(C) The distiller, with the approval of the Commissioner, files with the officer designated by the Commissioner a bond, approved by the Commissioner, in the penal sum equal to the appraised value of the lot or tract of land on which the distillery is situated, the distillery, the buildings, and the distilling apparatus. Such value shall be determined, and such bond shall be executed, in such form and with such sureties, and filed with the officer designated by the Commissioner, under such regulations as the Secretary shall prescribe.

(D) In case of any distillery sold at judicial or other sale in favor of the United

States, a bond may be taken at the discretion of the Commissioner, in lieu of the written consent required by this section, and the person giving such bond may be allowed to operate such distillery during the existence of the right of redemption from such sale, on complying with all the other provisions of law.

SEC. 2818, I. R. C. NOTICE OF MANUFACTURE OF AND PERMIT TO SET UP STILL—(a) Requirement. Any person who manufactures any still, boiler, or other vessel to be used for the purpose of distilling, shall, before the same is removed from the place of manufacture, notify in writing the collector of the district in which such still, boiler, or other vessel is to be used or set up, by whom it is to be used, its capacity, and the time when the same is to be removed from the place of manufacture; and no such still, boiler, or other vessel shall be set up without the permit in writing of the said collector for that purpose; and

(b) Penalty for setting up still without permit. Any person who sets up any such still, boiler, or other vessel, without first obtaining a permit from the said collector of the district in which such still, boiler, or other vessel is intended to be used, or who fails to give such notice, shall pay in either case the sum of \$500, and shall forfeit the distilling apparatus thus removed or set up in violation of law.

SEC. 2819, I. R. C. PREMISES PROHIBITED FOR DISTILLING. No person shall use any still, boiler, or other vessel, for the purpose of distilling, in any dwelling house, or in any shed, yard, or inclosure connected with any dwelling house, or on board of any vessel or boat, or in any building, or on any premises where beer, lager beer, ale, porter, or other fermented liquors, vinegar, or ether, are manufactured or produced, or where sugars or sirups are refined, or where liquors of any description are retailed, or where any other business is carried on; or within six hundred feet in a direct line of any premises authorized to be used for rectifying, except that the Secretary is authorized to permit such use for distilling on premises at such lesser distance than six hundred feet as he prescribes, in any case in which he deems that such permission may be granted without danger to the revenue; and every person who does any of the acts prohibited by this section, or aids or assists therein, or causes or procures the same to be done, shall be fined \$1,000 and imprisoned for not less than six months nor more than two years, in the discretion of the court, for each such offense: *Provided*, That saleratus may be manufactured, or meal or flour ground from grain, in any building or on any premises where spirits are distilled; but such meal or flour shall be used only for distillation on the premises; *Provided further*, That any boiler used in generating steam or heating water to be used in any distillery, may be located in any other building or on any other premises to be connected with such still or boiling tubs, by suitable pipes or other apparatus, or the steam from such boiler in the distillery may be conveyed to other premises to be used for manufacturing or other purposes.

SEC. 2828, I. R. C. DISTILLERS AND RECTIFIERS TO FURNISH FACILITIES AND GIVE ASSISTANCE FOR EXAMINATION OF PREMISES—(a) Power of revenue officers. On the demand of any internal revenue officer or agent, every distiller or rectifier shall furnish strong, safe, and convenient ladders of sufficient length to enable the officer or agent to examine and gauge any vessel or utensil in such distillery or premises; and shall, at all times when required, supply all assistance, lights, ladders, tools, staging, or other things necessary for inspecting the premises, stock, tools, and apparatus belonging to such person, and shall open all doors, and open for examination all boxes, packages, and all casks, barrels, and other

vessels not under the control of the revenue officer in charge, under a penalty of \$500 for every refusal or neglect so to do.

SEC. 2829, I. R. C. INSTALLATION OF METERS, TANKS, AND OTHER APPARATUS—(a) Power of the Commissioner. The Commissioner, with the approval of the Secretary, is authorized to require at distilleries, breweries, rectifying houses, and wherever else in his judgment such action may be deemed advisable, the installation of meters, tanks, pipes, or any other apparatus for the purpose of protecting the revenue, and such meters, tanks, and pipes and all necessary labor incident thereto shall be at the expense of the person on whose premises the installation is required. Any such person refusing or neglecting to install such apparatus when so required by the Commissioner shall not be permitted to conduct business on such premises.

SEC. 2830, I. R. C. OFFICER'S AUTHORITY TO BREAK UP GROUNDS OR WALLS—(a) Power of revenue agent. It shall be lawful for any revenue officer, and any person acting in his aid, to break up the ground on any part of a distillery, or premises of a distiller or rectifier, or any ground adjoining or near to such distillery or premises, or any wall or partition thereof, or belonging thereto, or other place, to search for any pipe, cock, private conveyance, or utensil; and, upon finding any such pipe or conveyance leading therefrom or thereto, to break up any ground, house, wall, or other place through or into which such pipe or other conveyance leads, and to break or cut away such pipe or other conveyance, and turn any cock, or to examine whether such pipe or other conveyance conveys or conceals any mash, wort, or beer, or other liquor, which may be used for the distillation of low-wines or spirits, from the sight or view of the officer, so as to prevent or hinder him from taking a true account thereof.

SEC. 2831, I. R. C. SIGNS OF DISTILLERS, RECTIFIERS, AND WHOLESALE LIQUOR DEALERS. Every person engaged in distilling or rectifying spirits, and every wholesale liquor dealer, shall place and keep conspicuously on the outside of the place of such business a sign, exhibiting in plain and legible letters, not less than three inches in length, painted in oil-colors or gilded, and of a proper and proportionate width, the name or firm of the distiller, rectifier, or wholesale dealer, with the words: "Registered distillery," "rectifier of spirits," or "wholesale liquor dealer," as the case may be. Every person who violates the foregoing provision by negligence or refusal, or otherwise, shall pay a penalty of \$500.

And every person, other than a rectifier or wholesale liquor dealer who has paid the special tax, or a distiller who has given bond as required by law, who puts up or keeps up the sign required by this section, or any sign indicating that he may lawfully carry on the business of a distiller, rectifier, or wholesale liquor dealer, shall forfeit and pay \$1,000, and shall be imprisoned not less than one month nor more than six months. And every person who works in any distillery, rectifying establishment, or wholesale liquor store, on which no sign is placed and kept, as hereinbefore provided; and every person who knowingly receives at, carries or conveys any distilled spirits to or from, any such distillery, rectifying establishment, warehouse, or store, or who knowingly carries and delivers any grain, molasses, or other raw material to any distillery on which such sign is not placed and kept, shall forfeit all horses, carts, drays, wagons, or other vehicle or animal used in carrying or conveying such property aforesaid, and shall be fined not less than \$100 nor more than \$1,000, or be imprisoned not less than one month nor more than six months.

SEC. 2832, I. R. C. **CONDITIONS PRECEDENT TO CARRYING ON BUSINESS OF DISTILLING.** It shall not be lawful for any distiller to commence the business of distilling, until he has given the bond required by law, and complied with the provisions of law relating to the registration and survey of distilleries, and the arrangement and construction of distilleries and the premises connected therewith; nor shall it be lawful for any person to engage in the business of distilling on any premises distant less than six hundred feet in a direct line from any premises used for rectifying; nor shall the processes of distillation and rectification both be carried on within the distance of six hundred feet in a direct line; except that the Secretary is authorized to permit such business of distilling or process of distillation to be carried on at such lesser distance than six hundred feet as he prescribes, in any case in which he deems that such permission may be granted without danger to the revenue.

SEC. 2834, I. R. C. **MASH, WORT, AND VINEGAR; VINEGAR FACTORIES.** No mash, wort, or wash, fit for distillation or for the production of spirits or alcohol, shall be made or fermented in any building or on any premises other than a distillery duly authorized according to law; and no mash, wort, or wash so made and fermented shall be sold or removed from any distillery before being distilled; and no person, other than an authorized distiller, shall, by distillation, or by any other process, separate the alcoholic spirits from any fermented mash, wort, or wash; and no person shall use spirits or alcohol in manufacturing vinegar or any other article, or in any process of manufacture whatever, unless the spirits or alcohol so used shall have been produced in an authorized distillery and (except in the case of vinegar) the tax thereon paid. Every person who violates any provision of this section shall be fined for each offense not less than \$500 nor more than \$5,000, and be imprisoned not less than six months nor more than two years. Nothing in this section shall be construed to apply to fermented liquors, or to fermented liquids used for the manufacture of vinegar exclusively. But no worm, goose-neck, pipe, conductor, or contrivance of any description whatsoever whereby vapor might in any manner be conveyed away and converted into distilled spirits, shall be used or employed or be fastened to or connected with any vaporizing apparatus used for the manufacture of vinegar; nor shall any worm be permitted on or near the premises where such vaporizing process is carried on.

Nor shall any vinegar factory, for the manufacture of vinegar as aforesaid, be permitted, except as provided in section 2835, within six hundred feet of any distillery or rectifying house. But it shall be lawful for manufacturers of vinegar to separate, by a vaporizing process, the alcoholic property from the mash produced by them, and condense the same by introducing it into the water or other liquid used in making vinegar.

No person, however, shall remove, or cause to be removed, from any vinegar factory or place where vinegar is made, any vinegar or other fluid or material containing a greater proportion than 2 per centum of proof spirits. Any violation of this provision shall incur a forfeiture of the vinegar, fluid, or material containing such proof spirits, and shall subject the person or persons guilty of removing the same to the punishment provided for any violation of this section.

And sections 2827, 2828, and 2830 shall apply to all premises whereon vinegar is manufactured, to all manufacturers of vinegar and their workmen or other persons employed by them.

SEC. 2835, I. R. C. **VINEGAR FACTORIES OPERATED PRIOR TO MARCH 1, 1879—(a) Regulations.** Any vinegar factory for the manufacture of vinegar, established and operated as a vinegar factory prior to March 1, 1879, may be operated for the manufacture of vinegar

by the use of alcoholic vapor within such distance less than six hundred feet of any distillery or rectifying house under such regulations as the Commissioner may prescribe with the approval of the Secretary.

SEC. 2855, I. R. C. **MONTHLY RETURNS OF RECTIFIERS—(a) Requirement.** On or before the 10th day of each month every person engaged in rectifying or compounding distilled spirits shall make, in such form as may be prescribed by the Commissioner, a return to the collector of the district, showing the quantity of spirits received for rectification, and from whom received, the quantity dumped for rectification, the quantity rectified, the quantity removed after rectification during the preceding month, and giving such other information as may be required by the Commissioner, such return to be made in duplicate and sworn to by the rectifier; and the collector shall forward one of such returns to the Commissioner.

SEC. 2856, I. R. C. **PENALTY FOR UNLAWFUL RECTIFYING.** Every person who engages in, or carries on, the business of a rectifier with intent to defraud the United States of the tax on the spirits rectified by him, or any part thereof, or with intent to aid, abet, or assist any person or persons in defrauding the United States of the tax on any distilled spirits, or who shall purchase or receive or rectify any distilled spirits which have been removed from a distillery to a place other than the distillery warehouse provided by law, knowing or having reasonable grounds to believe that the tax on said spirits, required by law, has not been paid, shall, for every such offense, be fined not less than \$1,000 nor more than \$5,000, and imprisoned not less than six months nor more than two years.

SEC. 2857, I. R. C. **BOOKS OF RECTIFIERS AND WHOLESALE DEALERS—(a) Requirements.** Every rectifier and every wholesale liquor dealer who sells, or offers for sale, distilled spirits in quantities of five wine-gallons or more to the same person at the same time shall keep daily, at his place of business covered by his special tax stamp, a record of distilled spirits received and disposed of by him, and shall render under oath correct transcripts and summaries of such records: *Provided*, That the Commissioner may in his discretion require such record to be kept at the place where the spirits are actually received and sent out. The records shall be kept and the transcripts shall be rendered in such form, and under such rules and regulations as the Commissioner, with the approval of the Secretary, may prescribe.

The records required to be kept under the provisions of this section and regulations issued pursuant thereto, shall be preserved for a period of four years, and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by the Commissioner or any internal revenue officer.

Every rectifier and wholesale liquor dealer who refuses or neglects to keep such records in the form prescribed by the Commissioner, with the approval of the Secretary, or to make entries therein, or cancels, alters, or obliterates any entry therein (except for the purpose of correcting errors) or destroys any part of such records, or any entry therein, or makes any false entry therein, or hinders or obstructs any internal revenue officer from inspecting such records or taking any abstracts therefrom, or neglects or refuses to preserve or produce such records as required by this chapter or by regulations issued pursuant thereto, shall pay a penalty of \$100 and, on conviction, shall be fined not less than \$100 nor more than \$5,000, and be imprisoned not less than three months nor more than three years.

Every rectifier and wholesale liquor dealer who refuses or neglects to render transcripts

or summaries in the form required by the Commissioner, with the approval of the Secretary, shall, upon conviction, be fined not more than \$100 for each such neglect or refusal.

SEC. 2858, I. R. C. **EXEMPTION OF STATES FROM PROVISIONS OF SECTION 2857.** The provisions of section 2857 shall not apply to States and Commonwealths and liquor stores operated by such States and Commonwealths that maintain and make available to inspection by internal-revenue officers such records as will enable such officers to readily trace all distilled spirits received and disposed of by them: *Provided*, That such States and Commonwealths, and the liquor stores operated by them, shall, upon the request of the Commissioner, furnish to the Commissioner such transcripts, summaries, and copies of their records as he shall require.

SEC. 2859, I. R. C. **BOOKS OF DISTILLERS AS WHOLESALE DEALERS—(a) Requirement.** Every distiller shall keep daily a record of distilled spirits of his own production disposed of by him, and shall render under oath correct transcripts and summaries of such records. The records shall be kept and the transcripts shall be rendered in such form, and under such rules and regulations as the Commissioner, with the approval of the Secretary, may prescribe.

The records required to be kept under the provisions of this section and regulations issued pursuant thereto, shall be preserved for a period of four years, and during such period shall at all times be available, during business hours, for inspection and the taking of abstracts therefrom by the Commissioner or any internal revenue officer.

Every distiller who refuses or neglects to keep such records in the form prescribed by the Commissioner, with the approval of the Secretary, or to make entries therein, or cancels, alters, or obliterates any entry therein (except for the purposes of correcting errors) or destroys any part of such records, or any entry therein, or makes any false entry therein, or hinders or obstructs any internal revenue officer from inspecting such records or taking any abstracts therefrom, or neglects or refuses to preserve or produce such records as required by this chapter or by regulations issued pursuant thereto, shall pay a penalty of \$100 and, on conviction, shall be fined not less than \$100 nor more than \$5,000, and be imprisoned not less than three months nor more than three years.

Every distiller who refuses or neglects to render the transcripts or summaries in the form as required by the Commissioner, with the approval of the Secretary, shall, upon conviction, be fined not more than \$100 for each such neglect or refusal.

SEC. 2861, I. R. C. **GAUGING, BRANDING, AND STAMPING RECTIFIED SPIRITS—(a) Requirement.** Whenever any cask or package of distilled spirits containing five wine gallons or more is dumped by a rectifier for rectification or filled and received from rectification for sale, shipment, or delivery the same shall be gauged, marked, branded and stamped by a storekeeper-gauger, whose duty it shall be to mark and brand the same and place thereon a stamp, which shall state the date when affixed and the number of proof gallons, and shall be in such form as shall be prescribed by the Commissioner with the approval of the Secretary; but the Commissioner may by regulations, approved by the Secretary, provide that the gauging, marking, stamping and branding of such packages so dumped for rectification, or received therefrom, be done by the rectifier instead of by a storekeeper-gauger.

SEC. 2862, I. R. C. **STAMPING—(a) Requirements.** All blanks in any of the forms prescribed in section 2861 shall be duly filled in accordance with the facts in each case. And the stamps therein designated shall in

every case be affixed to a smooth surface of the cask or other package, which surface shall not have been previously painted or covered with any substance, and so as to fasten the same securely to the cask or package, and shall be duly canceled, and shall then be immediately covered with a coating of transparent varnish or other substance, so as to protect them from removal or damage by exposure; and such affixing, cancellation, and covering shall be done in such manner as the Commissioner may by regulation prescribe.

SEC. 2863, I. R. C. MARKING AND STAMPING PACKAGES FILLED ON PREMISES OF WHOLESALE DEALERS—(a) *Requirements*. Every package of distilled spirits containing five wine gallons or more, filled on the premises of a wholesale liquor dealer, who has paid the special tax required by law, shall be marked, branded, and stamped by such wholesale liquor dealer in such manner and under such rules and regulations as the Commissioner, with the approval of the Secretary, may prescribe.

SEC. 2866, I. R. C. EFFACEMENT OF STAMPS AND BRANDS ON EMPTIED PACKAGES. Every person who empties or draws off, or causes to be emptied or drawn off, any distilled spirits from a cask or package bearing any mark, brand, or stamp, required by law, shall at the time of emptying such cask or package, efface and obliterate said mark, stamp, or brand. Every such cask or package from which said mark, brand, or stamp is not effaced and obliterated as herein required, shall be forfeited to the United States, and may be seized by any officer of internal revenue, wherever found. And every railroad company or other transportation company, or person who receives or transports, or has in possession with intent to transport, or with intent to cause or procure to be transported, any such empty cask or package, or any part thereof, having thereon any brand, mark, or stamp, required by law to be placed on any cask or package containing distilled spirits, shall forfeit \$300 for each such cask or package, or any part thereof, so received or transported, or had in possession with the intent aforesaid; and every boat, railroad car, cart, dray, wagon, or other vehicle, and all horses and other animals used in carrying or transporting the same, shall be forfeited to the United States. Every person who fails to efface and obliterate said mark, stamp, or brand, at the time of emptying such cask or package, or who receives any such cask or package, or any part thereof, with the intent aforesaid, or who transports the same, or knowingly aids or assists therein, or who removes any stamp provided by law from any cask or package containing, or which had contained, distilled spirits, without defacing and destroying the same at the time of such removal, or who aids or assists therein, or who has in his possession any such stamp so removed as aforesaid, or has in his possession any canceled stamp, or any stamp which has been used, or which purports to have been used, upon any cask or package of distilled spirits, shall be deemed guilty of a felony, and shall be fined not less than \$500 nor more than \$10,000, and imprisoned not less than one year nor more than five years.

SEC. 2867, I. R. C. BUYING OR SELLING USED CASKS BEARING INSPECTION MARKS. Whenever any person knowingly purchases or sells, with inspection marks thereon, any cask or package, after the same has been used for distilled spirits, he shall forfeit and pay the sum of \$200 for every such cask so purchased or sold.

SEC. 2868, I. R. C. CHANGING STAMPS OR SHIFTING SPIRITS. Whenever any person changes or alters any stamp, mark, or brand on any cask or package containing distilled spirits, or puts into any cask or package spirits of greater strength than is indicated by the inspection-mark thereon, or fraudu-

lently uses any cask or package having any inspection-mark or stamp thereon, for the purpose of selling other spirits, or spirits of quantity or quality different from the spirits previously inspected therein, he shall forfeit and pay the sum of \$200 for every cask or package on which the stamp or mark is so changed or altered, or which is so fraudulently used, and shall be fined for each such offense not less than \$100 nor more than \$1,000, and imprisoned not less than one month nor more than one year.

SEC. 2869, I. R. C. AFFIXING IMITATION STAMPS ON PACKAGES OF DISTILLED SPIRITS. If any person shall affix, or cause to be affixed, to or upon any cask or package containing, or intended to contain, distilled spirits, any imitation stamp or other engraved, printed, stamped, or photographed label, device, or token, whether the same be designed as a trade mark, caution notice, caution, or otherwise and which shall be in the similitude or likeness of, or shall have the resemblance or general appearance of, any internal revenue stamp required by law to be affixed to or upon any cask or package containing distilled spirits, he shall, for each offense, be liable to a penalty of \$100, and, on conviction, shall be fined not more than \$1,000, and imprisoned not more than three years, and the cask or package with its contents shall be forfeited to the United States.

SEC. 2870, I. R. C. PROHIBITED HOURS FOR REMOVAL OF SPIRITS. No person shall remove any distilled spirits at any other time than after sun-rising and before sun-setting in any cask or package containing more than ten gallons from any premises or building in which the same may have been distilled, redistilled, rectified, compounded, manufactured, or stored; and every person who violates this provision shall be liable to a penalty of \$100 for each cask, barrel, or package of spirits so removed; and said spirits, together with any vessel containing the same, and any horse, cart, boat, or other conveyance used in the removal thereof, shall be forfeited to the United States.

SEC. 2871, I. R. C. REGULATION OF TRAFFIC IN CONTAINERS OF DISTILLED SPIRITS. Whenever in his judgment such action is necessary to protect the revenue, the Secretary is authorized, by the regulations prescribed by him, and permits issued thereunder if required by him (1) to regulate the size, branding, marking, sale, resale, possession, use, and re-use of containers (of a capacity of less than five wine-gallons) designed or intended for use for the sale at retail of distilled spirits (within the meaning of such term as it is used in section 2863) for other than industrial use, and (2) to require, of persons manufacturing, dealing in, or using any such containers, the submission to such inspection, the keeping of such records, and the filing of such reports as may be deemed by him reasonably necessary in connection therewith. Whoever willfully violates the provisions of any regulation prescribed, or the terms or conditions of any permit issued, pursuant to the authorization contained in this section, and any officer, director, or agent of any corporation who knowingly participates in such violation, shall, upon conviction, be fined not more than \$1,000 or be imprisoned for not more than two years, or both; and, notwithstanding any criminal conviction, the containers involved in such violation shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for forfeitures, seizures, and condemnations for violations of the internal-revenue laws, and any such containers so seized and condemned shall be destroyed and not sold. Any requirements imposed under this section shall be in addition to any other requirements imposed by, or pursuant to, law, and shall apply as well to persons not liable for tax under the internal-revenue laws as to persons so liable.

SEC. 2883, I. R. C. TRANSFER OF SPIRITS AT REGISTERED DISTILLERIES—(a) *Requirements*. Subject to the provisions of existing law, spirits of one hundred and sixty degrees of proof or more produced at registered distilleries, including registered fruit distilleries (such registered distilleries and registered fruit distilleries being referred to hereafter as "distillery" or "distilleries"), may be transferred by means of pipe lines from receiving cisterns in the distillery direct to storage tanks in the internal revenue bonded warehouse located on the bonded premises where produced or located contiguous thereto, and be warehoused in such storage tanks, or they may be withdrawn from the receiving cisterns, without, or after reduction in proof, into approved containers and transferred to any internal revenue bonded warehouse for storage therein, or they may be tax-paid in such approved containers in the cistern rooms of distilleries without being entered into an internal revenue bonded warehouse. Such spirits may be drawn into approved containers from storage tanks in an internal revenue bonded warehouse. Spirits of one hundred and sixty degrees of proof, or more, may be transferred in bond in tank cars from cistern rooms of distilleries or from storage tanks in an internal revenue bonded warehouse and be deposited in storage tanks in any internal revenue bonded warehouse. Such spirits in tanks in internal revenue bonded warehouses distilled at or above one hundred and ninety degrees of proof may be reduced to not less than one hundred and eleven degrees, prior to being drawn into packages. Such spirits, upon tax payment, may be withdrawn in approved containers, including pipe lines to contiguous premises, for use for beverage purposes only. Except as provided in subsection (c) hereof and section 2816, such spirits may not be withdrawn for denaturation.

(b) *Transfer of fortifying spirits*. Fortifying spirits of one hundred and sixty degrees of proof or more may be transferred by pipe line from registered fruit distilleries and receiving cisterns in such distilleries to the fortification rooms of contiguous wineries or to storage tanks in the internal revenue bonded warehouse located on the distillery premises where the spirits were produced, or from such storage tanks to the fortification rooms of contiguous wineries.

(c) *Transfer of rum for denaturation*. Rum of not less than one hundred and fifty degrees of proof may be transferred by pipe line for denaturation from receiving cisterns in the cistern room of any distillery to a denaturing bonded warehouse on the distillery premises or to storage tanks situated in the internal revenue bonded warehouse located on the distillery premises, or from such storage tanks to a denaturing bonded warehouse on the distillery premises.

(d) *Transfer of gin*. Gin of any proof may be transferred in bond by means of pipe lines from receiving cisterns in distilleries direct to storage tanks in the internal revenue bonded warehouse located on the bonded premises where produced, or located contiguous thereto, and be warehoused in such storage tanks. Such gin may, upon tax payment, be transferred by pipe line to a contiguous tax-paid bottling house or rectifying plant.

(e) *Redistillation of spirits*. Distilled spirits of any proof may be transferred from a distillery or an internal revenue bonded warehouse to any distillery for redistillation upon a showing of the need therefor: *Provided*, That only spirits of one hundred and sixty degrees of proof or more may be transferred by pipe line to a distillery for redistillation from storage tanks in an internal revenue bonded warehouse located on such distillery premises or located contiguous thereto: *Provided further*, That spirits of any proof may be transferred by pipe line for redistillation from receiving tanks in a distillery to a contiguous distillery. Upon

removal of distilled spirits to any distillery for redistillation, the consignee distiller shall assume the liability for the payment of the tax on the spirits from the time they leave the internal revenue bonded warehouse or distillery, and the tax liability on the producing distiller or the internal revenue bonded warehouseman, and the liens on the premises of the producing distiller shall cease, and the tax and liens shall become the liability of the consignee distiller: *Provided further*, That upon redistillation the redistilled spirits shall be treated the same as if the spirits had been originally produced by the distiller and all prior obligations as to taxes and liens shall be superseded. Sections 2800 (a) (5) and 3250 (f) (1) shall not apply to the redistillation of spirits removed under the provisions of this section.

(f) *Regulations*. The Commissioner, with the approval of the Secretary, is hereby empowered to prescribe all necessary regulations relating to the drawing off, transferring, gaging, storing, redistillation, and transportation of the spirits; the records to be kept and returns to be made; the size and kind of containers to be used; the marking, branding, numbering, and stamping of each container; and the kind of bond and the penal sum thereof.

(g) *Effect on other laws*. Nothing contained in this section shall be construed as restricting or limiting the provisions of other sections of the internal-revenue laws relating to internal revenue bonded warehouses, distilleries, and bonded wineries.

SEC. 3030, I. R. C. Tax—(a) *Rate*—(1) *Still wines*—(A) *Imposition*. Upon all still wines, including vermouth, and all artificial or imitation wines or compounds sold as still wine, produced in or imported into the United States after June 30, 1940, or which on July 1, 1940, were on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid taxes at rates as follows, when sold, or removed for consumption or sale:

On wines containing not more than 14 per centum of absolute alcohol, 15 cents per wine-gallon, the per centum of alcohol under this section to be reckoned by volume and not by weight;

On wines containing more than 14 per centum and not exceeding 21 per centum of absolute alcohol, 60 cents per wine-gallon;

On wines containing more than 21 per centum and not exceeding 24 per centum of absolute alcohol, \$2.00 per wine-gallon;

All such wines containing more than 24 per centum of absolute alcohol by volume shall be classed as distilled spirits and shall pay tax accordingly.

Any such wines may, under such regulations as the Secretary may prescribe, be sold or removed tax free for the manufacture of vinegar, or for the production of dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.

The taxes imposed by this subparagraph (A) of this paragraph shall not apply to dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume; nor, subject to regulations prescribed by the Commissioner, with the approval of the Secretary, to wines produced for the family use of the duly registered producer thereof and not sold or otherwise removed from the place of manufacture and not exceeding in any case two hundred gallons per year.

(2) *Sparkling wines, liqueurs, and cordials*. Upon the following articles which are produced in or imported into the United States, after June 30, 1940, or which on July 1, 1940, are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes imposed thereon by law prior to such date, taxes at rates as follows, when sold, or removed for consumption or sale:

On each bottle or other container of champagne or sparkling wine, 15 cents on each one-half pint or fraction thereof;

On each bottle or other container of artificially carbonated wine, 10 cents on each one-half pint or fraction thereof;

On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, fortified respectively, with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy, 10 cents on each one-half pint or fraction thereof;

Any of the foregoing articles containing more than 24 per centum of absolute alcohol by volume (except vermouth, liqueurs, cordials, and similar compounds made in rectifying plants and containing tax-paid sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, fortified, respectively with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy) shall be classed as distilled spirits and shall be taxed accordingly.

The Commissioner, subject to regulations prescribed by the Secretary, is authorized to remit, refund, and pay back the amount of all taxes on such liqueurs, cordials, and similar compounds paid by or assessed against rectifiers at the distilled spirits rate prior to June 26, 1938.

(b) *Payment*—(1) *Stamp*. The taxes imposed by paragraphs (1) and (2) of subsection (a) shall be paid by stamp on removal of the wines from the customhouse, winery, or other bonded place of storage for consumption or sale.

The Commissioner may, under regulations prescribed by him with the approval of the Secretary, issue stamps for restamping packages of wines which have been duly stamped but from which the stamps have been lost or destroyed by unavoidable accident.

(2) *Assessment*. The collection of the tax on imported still wines, including vermouth, and sparkling wines, including champagne, and on imported liqueurs, cordials, and similar compounds, may be made within the discretion of the Commissioner, with the approval of the Secretary, by assessment instead of by stamps.

(As amended by section 1650, I. R. C.)

SEC. 3040, I. R. C. REQUIREMENTS ON PRODUCERS—(a) *Notice, bonds, and stamps*. Every person producing after February 24, 1919, or having in his possession or under his control on February 24, 1919, any wines subject to the tax imposed in paragraphs (1) and (2) of section 3030 (a) shall file such notice, describing the premises on which such wines are produced or stored; shall execute a bond in such form, shall make such inventories under oath; and shall, prior to sale or removal for consumption, affix to each cask, barrel, bottle, or other immediate container, and to each case or other shipping container, of such wine, such marks, labels, or stamps as the Commissioner, with the approval of the Secretary, may from time to time prescribe as to each; and the premises described in such notice shall, for the purpose of this chapter, be regarded as bonded premises.

SEC. 3043, I. R. C. PENALTIES AND FORFEITURES—(a) *Offenses*. Whoever evades or attempts to evade any tax imposed by sections 3030 or 3031, or any requirement of this subchapter, or regulation issued pursuant thereto, or whoever, otherwise than as provided in this subchapter, recovers or attempts to recover any spirits from domestic or imported wine, shall, on conviction, be punished for each such offense by a fine of not exceeding \$5,000, or imprisonment for not more than five years, or both, and in addition thereto by a penalty of double the tax evaded, or attempted to be evaded, to be assessed and collected in the same manner as taxes are assessed and collected, and all wines, spirits, liqueurs, cordials, or similar compounds as to which such violation occurs shall be forfeited to the United States. But the provisions of this section and of section 3254 (g) relating to rectification, or other internal revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of wines subject to tax under the provisions of section 3030 to 3031, with each other or with other wines for the sole purpose of perfecting such wines according to commercial standards, nor to apply to or prohibit the fermentation of grape wine retained with resin on bonded winery premises: *Provided*, That nothing herein contained shall be construed as prohibiting the use of tax-paid grain or other ethyl alcohol in the fortification of sweet wines as defined in sections 3030 and 3044.

SEC. 3103, I. R. C. EXEMPTION OF INDUSTRIAL ALCOHOL PLANTS AND WAREHOUSES FROM CERTAIN LAWS. Industrial alcohol plants and bonded warehouses established under the provisions of this part shall be exempt from the provisions of sections 3154, 3244, 3253, 3259, 3260, 3263, 3264, 3266, 3267, 3268, 3269, 3271, 3273, 3274, 3275, 3279, 3280, 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3290, 3291, 3292, 3293, 3294, 3295, 3302, 3303, 3307, 3308, 3309, 3310, 3311, 3312, 3313, 3314, and 3327 of the Revised Statutes; sections 48 to 60, inclusive, and sections 62 and 67 of the Act of August 27, 1894 (Twenty-eighth Statutes, pages 563 to 568), as such sections existed on October 28, 1919, and from such other provisions of laws existing on October 29, 1919, relating to distilleries and bonded warehouses as may, by regulations, be declared inapplicable to industrial alcohol plants and bonded warehouses established under this subchapter.

Regulations may be made embodying any provision of the sections above enumerated.

SEC. 3170, I. R. C. TRANSFER AND DELEGATION OF POWERS. The Secretary is authorized to confer and impose upon the Commissioner and any of his assistants, agents, or employees, and upon any other officer, employee, or agent of the Treasury Department, any of the rights, privileges, powers, duties, and protection conferred or imposed upon the Secretary, or any officer or employee of the Treasury Department, by any law now or hereafter in force relating to the taxation, exportation, transportation, manufacture, possession, or use of, or traffic in, distilled spirits, wine, fermented liquors, or denatured alcohol.

SEC. 3171, I. R. C. RECORDS, STATEMENTS, AND RETURNS—(a) *Requirements*. Every person liable to any tax imposed by this chapter, or for the collection thereof shall keep such records, render under oath such statements, make such returns, and comply with such rules and regulations, as the Commissioner, with the approval of the Secretary, may from time to time prescribe.

SEC. 3172, I. R. C. DISCRETIONARY METHOD FOR COLLECTING TAX. (a) *Power of Commissioner*. Whether or not the method of collecting any tax imposed by this chapter is specifically provided herein, any such tax may, under regulations prescribed by the Commissioner with the approval of the Secretary, be collected by stamp, coupon, serial-numbered ticket, or such other reasonable

device or method as may be necessary or helpful in securing a complete and prompt collection of the tax. All administrative and penalty provisions of subchapters A, B, and C of chapter 11, in so far as applicable, shall apply to the collection of any tax which the Commissioner determines or prescribes shall be collected in such manner.

SEC. 3173. I. R. C. PENALTIES AND FORFEITURES—(a) Removal or transportation of liquors or wines under improper brands. Whenever any person ships, transports, or removes any spirituous or fermented liquors or wines, under any other than the proper name or brand known to the trade as designating the kind and quality of the contents of the casks or packages containing the same, or causes such act to be done, he shall forfeit said liquors or wines, and casks or packages, and be subject to pay a fine of \$500.

(b) Other violations. (1) Any person required to pay, or to collect, account for and pay over any tax on distilled spirits, wines, or fermented malt liquors, or required by law or regulations made under authority thereof to make a return or supply any information for the purposes of the computation, assessment or collection of any such tax, who fails to pay, collect, or truly account for and pay over any such tax, make any such return or supply any such information at the time or times required by law or regulation shall in addition to other penalties provided by law be subject to a penalty of not more than \$1,000.

(2) Any person who willfully refuses to pay, collect, or truly account for and pay over any such tax, make such return or supply such information at the time or times required by law or regulation, or who willfully attempts in any manner to evade such tax shall be guilty of a misdemeanor and in addition to other penalties provided by law shall be fined not more than \$10,000 or imprisoned for not more than one year, or both, together with the costs of prosecution.

(3) Any person who willfully refuses to pay, collect or truly account for and pay over any such tax shall in addition to other penalties provided by law be liable to a penalty of the amount of the tax evaded, or not paid, collected, or accounted for and paid over, to be assessed and collected in the same manner as taxes are assessed and collected: *Provided, however,* That no penalty shall be assessed under this paragraph for any offense for which a penalty may be assessed under authority of section 3612, or of section 2801 (f) or 3043, or for any offense for which a penalty has been recovered under section 2806 (e).

(4) The term "person" as used in this subsection includes an officer or employee of a corporation or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(c) Possession of devices for emitting gas, smoke, etc.; explosives and firearms. (1) Whoever, when violating any law of the United States, or of any Territory or possession of the United States, or of the District of Columbia, in regard to the manufacture, taxation, or transportation of or traffic in distilled spirits, wines, or fermented malt liquors, or when aiding in any such violation, has in his possession or in his control any device capable of causing emission of smoke, gas, or fumes, and which may be used for the purpose of hindering, delaying, or preventing pursuit or capture, any explosive, or any firearm (as defined in section 2733), except a machine gun, or a shotgun or rifle having a barrel of less than eighteen inches in length, shall be fined not more than \$5,000 or be imprisoned for not more than ten years, or both, and all persons engaged in any such violation or in aiding in any such violation shall be held to be in possession or control of such device, firearm, or explosive.

(2) Whoever, when violating any such law, has in his possession or in his control a machine gun, or any shotgun or rifle having a barrel of less than eighteen inches in length, shall be punished by imprisonment for not more than twenty years; and all persons engaged in any such violation or in aiding in any such violation shall be held to be in possession and control of such machine gun, shotgun, or rifle.

(3) Every such firearm or device for emitting gas, smoke, or fumes, and every such explosive, machine gun, shotgun, or rifle, in the possession or control of any person when violating any such law, shall be seized and shall be forfeited and disposed of in the manner provided by section 2730.

(4) As used in this subsection the term "machine gun" means any weapon which shoots, or is designed to shoot, automatically or semi-automatically, more than one shot, without manual reloading, by a single function of the trigger.

(d) Return on bond of vessel or vehicle seized for violation; discretion of court; definitions. Notwithstanding any provisions of law relating to the return on bond of any vessel or vehicle seized for the violation of any law of the United States, the court having jurisdiction of the subject matter, may, in its discretion and upon good cause shown by the United States, refuse to order such return of any such vessel or vehicle to the claimant thereof.

As used in this subsection the word "vessel" includes every description of watercraft used, or capable of being used, as a means of transportation in water or in water and air; and the word "vehicle" includes every animal and description of carriage or other contrivance used, or capable of being used, as a means of transportation on land or through the air.

SEC. 3175. I. R. C. OTHER LAWS APPLICABLE. All administrative, special, or stamp provisions of law, including the law relating to the assessment of taxes, so far as applicable, shall be extended to and made a part of this chapter.

SEC. 3176. I. R. C. RULES AND REGULATIONS (a) Power of Commissioner. The Commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this chapter.

SEC. 3179. I. R. C. EXEMPTION AND DRAWBACK IN CASE OF EXPORTATION.

(b) Drawback. Upon the exportation of distilled spirits and wines manufactured or produced in the United States on which an internal-revenue tax has been paid, and which are contained in any cask or package or in bottles packed in cases or other containers, there shall be allowed, under regulations to be prescribed by the Commissioner, with the approval of the Secretary, a drawback equal in amount to the tax found to have been paid on such distilled spirits and wines: *Provided,* That such distilled spirits and wines have been packaged or bottled especially for export, under regulations prescribed by the Commissioner, with the approval of the Secretary. The Commissioner, with the approval of the Secretary, is authorized to prescribe regulations governing the determination and payment of drawback of internal-revenue tax on domestic distilled spirits and wines, including the requirement of such notices, bonds, bills of lading, and other evidence of payment of tax and exportation as shall be deemed necessary.

SEC. 3182. I. R. C. VOLATILE FRUIT-FLAVOR CONCENTRATES—(a) Exemption. The provisions of this chapter (other than sections 2810, 2819, and 2823 and other than sections 2827 to 2830, both inclusive) shall not be applicable with respect to the manufacture, by any process which includes evaporations

from the mash or juice of any fruit, of any volatile fruit-flavor concentrate if—

(1) Such concentrate, and the mash or juice from which it is produced, contains no more alcohol than is reasonably unavoidable in the manufacture of such concentrate; and

(2) Such concentrate is rendered unfit for use as a beverage before removal from the place of manufacture; and

(3) The manufacturer thereof keeps such records, renders such reports, files such bonds, and complies with such other rules and regulations with respect to the production, removal, sale, transportation, and use of such concentrate and of the mash or juice from which such concentrate is produced, as the Commissioner, with the approval of the Secretary, may prescribe as necessary for the protection of the revenues imposed by this chapter.

(b) Control after tax-free manufacture. If any volatile fruit-flavor concentrate (or any fruit mash or juice from which such concentrate is produced) containing one-half of 1 per centum or more of alcohol by volume, which is manufactured free from tax under the provisions of subsection (a), is sold, transported, or used by any person in violation of the provisions of this chapter or regulations promulgated thereunder, such person and such concentrate, mash, or juice shall be subject to all provisions of this chapter pertaining to distilled spirits and wines, including those requiring the payment of tax thereon; and the person so selling, transporting, or using such concentrate, mash, or juice shall be required to pay such tax.

SEC. 3250. I. R. C. TAX—(a) Wholesale dealers in liquors—(1) In general. Wholesale dealers in liquors shall pay a special tax of \$110.

(3) Retailers selling at wholesale. Except as provided in section 3254 (c) (2), a qualified retail dealer in liquors may not sell distilled spirits, wines, or malt liquors in quantities of five wine-gallons or more to the same person at the same time without incurring liability to special tax as a wholesale dealer in liquors.

(4) Distillers selling at wholesale. No distiller who has given the required bond and who sells only distilled spirits of his own production at the place of manufacture, or at the place of storage in bond, in the original packages to which the tax-paid stamps are affixed, shall be required to pay the special tax of a wholesale dealer in liquors on account of such sales.

(b) Retail dealers in liquors—(1) In general. Except as provided in paragraph (3) of subsection (e), retail dealers in liquors shall pay a special tax of \$27.50.

(2) Retail drug stores or pharmacies. The tax required to be paid by paragraph (1) shall, in the case of a retail drug store or pharmacy making sales of liquors through a duly licensed pharmacist, be designated as a "medicinal spirits stamp tax."

(4) Wholesalers selling at retail. A qualified wholesale dealer in liquors may not sell distilled spirits, wines, or malt liquors in quantities of less than five wine gallons without incurring liability to special tax as a retail dealer in liquors.

(f) Rectifiers—(1) Rate of tax. Rectifiers of distilled spirits shall pay a special tax of \$220: *Provided,* That any rectifier of less than 500 barrels a year, counting 40 gallons of proof spirits to the barrel, shall pay \$110.

(2) Prohibited premises. No officer shall collect any special tax for rectifying distilled spirits on any premises distant less than six hundred feet (or less than the distance permitted by the Secretary of the Treasury in the particular case) in a direct line from any

distillery. And every officer who collects any special tax in violation of this section shall be liable to a penalty of \$5,000 for each offense.

(1) *Manufacturers of stills*—(1) *In general.* Manufacturers of stills shall each pay a special tax of \$55 and \$22 for each still or worm for distilling made by him.

(2) *Distillers manufacturing own stills.* Paragraph (1) of this subsection and section 3254 (h) shall not apply to distillers in registered distilleries who manufacture for their own use wooden stills, but each of said distillers shall give notice to the collector of the district in which his distillery is located of each still manufactured before the same is used.

(3) *Drawback.* Upon all stills manufactured for export, and actually exported, there shall be allowed a drawback, where the tax thereon has been paid, under such rules and regulations as the Commissioner, with the approval of the Secretary, shall prescribe.

(1) *Manufacturers or producers of designated nonbeverage products*—(1) *In general.* Any person using distilled spirits produced in a domestic registered distillery or industrial alcohol plant and fully tax-paid in the manufacture or production of medicines, medicinal preparations, food products, flavors, or flavoring extracts which are unfit for beverage purposes, upon payment of a special tax per annum, shall be eligible for drawback at the time when such distilled spirits are used in the manufacture of such products and as hereinafter provided for.

(2) Such special tax per annum shall be graduated in amount as follows: (a) for total annual withdrawals not exceeding 25 proof gallons, \$25 per annum; (b) for total annual withdrawals not exceeding 50 proof gallons, \$50 per annum; (c) for total withdrawals of 50 proof gallons or more, \$100 per annum.

(3) *Requirements.* Such person shall register annually with the Commissioner; keep such books and records as may be necessary to establish the fact that distilled spirits purchased by him and fully tax-paid were used in the manufacture or production of medicines, medicinal preparations, food products, flavors, or flavoring extracts which were unfit for use for beverage purposes; and shall be subject to such rules and regulations in relation thereto as the Commissioner, with the approval of the Secretary, shall prescribe to secure the Treasury of the United States against frauds.

(4) *Investigative powers of Commissioner.* The Commissioner, for the purpose of ascertaining the correctness of any claim filed under this subsection is authorized, by any officer or employee of the Bureau of Internal Revenue, including the field service, designated by him for that purpose, to examine any books, papers, records, or memoranda bearing upon the matters required to be alleged in the claim, and may require the attendance of the person filing the claim or of any officer or employee of such person, or the attendance of any other person having knowledge in the premises, and may take his testimony with reference to any matter covered by the claim, with power to administer oaths to such person or persons.

(5) *Drawback.* A drawback at the rate of \$3.75 on each proof gallon shall be allowed on distilled spirits tax-paid and used as provided in this subsection and be due and payable quarterly upon filing of a proper claim with the Commissioner. No claim under this subsection shall be allowed unless filed with the Commissioner within the three months next succeeding the quarter for which the drawback is claimed.

Sec. 3254, I. R. C. DEFINITIONS.

(b) *Wholesale dealer in liquors.* Except as otherwise provided, every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors in quantities of

five wine-gallons or more to the same person at the same time, shall be regarded as a wholesale dealer in liquors: *Provided*, That the Commissioner may, by regulations, with the approval of the Secretary, provide for the issuance of a stamp denoting payment of such special tax as a "wholesale dealer in wines" or a "wholesale dealer in wines and malt liquors" if, as the case may be, wines only, or wines and malt liquors only, are sold by a wholesale dealer in liquors.

(c) *Retail dealer in liquors.* Except as otherwise provided, (1) every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors in less quantities than five wine-gallons to the same person at the same time, shall be regarded as a retail dealer in liquors: *Provided*, That the Commissioner may, by regulations, with the approval of the Secretary, provide for the issuance of a stamp denoting payment of such special tax as a "retail dealer in wines" or a retail dealer in wines and malt liquors" if, as the case may be, wines only, or wines and malt liquors only, are sold by a retail dealer in liquors.

(2) No retail dealer in liquors shall be held to be a wholesale dealer in liquors solely by reason of sales of five wine-gallons or more to the same person at the same time if such sales are for immediate consumption on the premises where sold.

(g) *Rectifier.* Every person who rectifies, purifies, or refines distilled spirits or wines by any process other than by original and continuous distillation from mash, wort, or wash, through continuous closed vessels and pipes, until the manufacture thereof is complete, and every wholesale or retail liquor dealer who has in his possession any still or leach tub, or who keeps any other apparatus for the purpose of refining in any manner distilled spirits, and every person who, without rectifying, purifying, or refining distilled spirits, shall, by mixing such spirits, wine, or other liquor with any material, manufacture any spurious, imitation, or compound liquors for sale, under the name of whisky, brandy, gin, rum, wine, spirits, cordials, or wine bitters, or any other name shall be regarded as a rectifier, and as being engaged in the business of rectifying: *Provided*, That nothing in this subsection or section 3250 (f) (1) shall be held to prohibit the purifying or refining of spirits in the course of original and continuous distillation through any material which will not remain incorporated with such spirits when the manufacture thereof is complete.

(h) *Manufacturer of stills.* Any person who manufactures any still or worm to be used in distilling shall be deemed a manufacturer of stills.

Sec. 3270, I. R. C. REGISTRATION—(a) *Requirements.* Every person engaged in any trade or business on which a special tax is imposed by law shall register with the collector of the district his name or style, place of residence, trade or business, and the place where such trade or business is to be carried on. In case of a firm or company, the names of the several persons constituting the same, and the places of residence, shall be so registered.

Sec. 3271, I. R. C. PAYMENT OF TAX—(a) *Condition precedent to doing business.* No person shall be engaged in or carry on any trade or business mentioned in this chapter until he has paid a special tax therefor in the manner provided in this chapter.

(b) *Due date.* All special taxes shall become due on the 1st day of July in each year, or on commencing any trade or business on which such tax is imposed. In the former case the tax shall be reckoned for one year, and in the latter case it shall be reckoned proportionately, from the 1st day of the month in which the liability to a special

tax commenced, to and including the 30th day of June following.

(c) *How paid*—(1) *Stamp.* All special taxes imposed by law, including the tax on stills or worms, shall be paid by stamps denoting the tax.

Sec. 3272, I. R. C. RETURNS—(a) *Time for filing.* It shall be the duty of the special taxpayers to render their returns with remittances to the collector at such times within the calendar month in which the special tax liability commenced as shall enable him to receive such returns, duly signed and verified, together with the remittances, not later than the last day of the month, except in cases of sickness or absence, as provided for in section 3634.

Sec. 3300, I. R. C. ESTABLISHMENT AND ALTERATION—(a) *Authorization.* The Commissioner, with the approval of the Secretary, may establish and, from time to time, alter or change the form, style, character, material, and device of any stamp, mark, or label used under any provision of the laws relating to internal revenue.

(b) *Application of penalty and forfeiture provisions.* All pains, penalties, fines, and forfeitures provided by law relating to internal revenue stamps shall apply to and have full force and effect in relation to any and all stamps so established by the Commissioner.

Sec. 3301, ATTACHMENT AND CANCELLATION—(a) *General authority to prescribe methods and instruments.* The stamps referred to in the preceding section shall be attached, protected, removed, canceled, obliterated, and destroyed, in such manner and by such instruments or other means as the Commissioner, with the approval of the Secretary, may prescribe; and he is authorized and empowered to make, with the approval of the Secretary, all needful regulations relating thereto.

Sec. 3304, I. R. C. REDEMPTION OF STAMPS—(a) *Authorization.* The Commissioner, subject to regulations prescribed by the Secretary, may, upon receipt of satisfactory evidence of the facts, make allowance for or redeem such of the stamps, issued under authority of law, to denote the payment of any internal revenue tax, as may have been spoiled, destroyed, or rendered useless or unfit for the purpose intended, or for which the owner may have no use, or which through mistake may have been improperly or unnecessarily used, or where the rates or duties represented thereby have been excessive in amount, paid in error, or in any manner wrongfully collected.

(b) *Method and conditions of allowance.* Such allowance or redemption may be made, either by giving other stamps in lieu of the stamps so allowed for or redeemed, or by refunding the amount or value to the owner thereof, deducting therefrom, in case of repayment, the percentage, if any, allowed to the purchaser thereof; but no allowance or redemption shall be made in any case until the stamps so spoiled or rendered useless shall have been returned to the Commissioner, or until satisfactory proof has been made showing the reason why the same can not be returned; or, if so required by the said Commissioner, when the person presenting the same can not satisfactorily trace the history of said stamps from their issuance to the presentation of his claim as aforesaid.

(c) *Time for filing claims.* No claim for the redemption of or allowance for stamps shall be allowed unless presented within four years after the purchase of such stamps from the Government.

(d) *Finality of Commissioner's decisions.* The finding of facts in and the decision of the Commissioner upon the merits of any claim presented under or authorized by this

section shall, in the absence of fraud or mistake in mathematical calculation, be final and not subject to revision by any accounting officer.

SEC. 3601, I. R. C. ENTRY OF PREMISES FOR EXAMINATION OF TAXABLE OBJECTS—(a) *Authority*—(1) *Entry during day*. Any collector, deputy collector, internal revenue agent, or inspector may enter, in the daytime, any building or place where any articles or objects subject to tax are made, produced, or kept, within his district, so far as it may be necessary for the purpose of examining said articles or objects.

(2) *Entry at night*. When such premises are open at night, such officers may enter them while so open, in the performance of their official duties.

(b) *Penalty for refusal to permit entry or examination*. Any owner of such building or place, or person having the agency or superintendence of the same, who refuses to admit such officer, or to suffer him to examine such article or articles, shall, for every such refusal, forfeit \$500.

(c) *Other penalties*. If any person shall—

(1) *Forcible obstruction or hindrance to officers*. Forcibly obstruct or hinder any collector, deputy collector, internal revenue agent, or inspector, in the execution of any power and authority vested in him by law, or

(2) *Forcible rescue of seized property*. Forcibly rescue or cause to be rescued any property, articles, or objects, after the same shall have been seized by him, or shall attempt or endeavor so to do, the person so offending, excepting in cases otherwise provided for, shall, for every such offense, forfeit and pay the sum of \$500, or double the value of the property so rescued, or be imprisoned for a term not exceeding two years, at the discretion of the court.

SEC. 3650, I. R. C. PAYMENT BY CHECK AND MONEY ORDERS—(a) *Certified, cashiers', and treasurers' checks and money orders*—(1) *Authority to receive*. It shall be lawful for collectors to receive for internal revenue taxes or in payment of stamps to be used in payment of internal revenue taxes certified, cashiers', and treasurers' checks drawn on National and State banks and trust companies, and United States postal, bank, express, and telegraph money orders, during such time and under such regulations as the Commissioner, with the approval of the Secretary, may prescribe.

(2) *Discharge of liability*—(A) *Check duly paid*. No person who may be indebted to the United States on account of internal revenue taxes or stamps used or to be used in payment of internal revenue taxes who shall have tendered a certified, cashier's, or treasurer's check or money order as provisional payment therefor, in accordance with the terms of this subsection, shall be released from the obligation to make ultimate payment thereof until such certified, cashier's or treasurer's check or money order so received has been duly paid.

(B) *Check unpaid*. If any such check or money order so received is not duly paid, the United States shall, in addition to its right to exact payment from the party originally indebted therefor, have a lien for the amount of such check upon all the assets of the bank on which drawn or for the amount of such money order upon all the assets of the issuer thereof; and such amount shall be paid out of its assets in preference to any or all other claims whatsoever against said bank or issuer except the necessary costs and expenses of administration and the reimbursement of the United States for the amount expended in the redemption of the circulating notes of such bank.

(b) *Other checks*—(1) *Authority to receive*. Collectors may receive checks in addition to those specified in subsection (a) in payment of taxes other than those payable

by stamp during such time and under such rules and regulations as the Commissioner, with the approval of the Secretary, shall prescribe.

(2) *Ultimate liability*. If a check so received is not paid by the bank on which it is drawn the person by whom such check has been tendered shall remain liable for the payment of the tax and for all legal penalties and additions to the same extent as if such check had not been tendered.

SEC. 3609, VERIFICATION OF RETURNS; PENALTIES OF PERJURY—(a) *Penalties*. Any person who willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter, shall be guilty of a felony, and, upon conviction thereof, shall be fined not more than \$2,000 or imprisoned not more than five years, or both.

(b) *Signature presumed correct*. The fact that an individual's name is signed to a return, statement, or other document filed shall be prima facie evidence for all purposes that the return, statement, or other document was actually signed by him.

(c) *Verification in lieu of oath*. The Commissioner, under regulations prescribed by him with the approval of the Secretary, may require that any return, statement, or other document required to be filed under any provision of the internal revenue laws shall contain or be verified by a written declaration that it is made under the penalties of perjury, and such declaration shall be in lieu of any oath otherwise required.

SEC. 161, R. S. (5 U. S. C. 22). DEPARTMENTAL REGULATIONS. The head of each department is authorized to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers and property appertaining to it.

SEC. 3, 49 Stat. 978 (27 U. S. C. 203) UNLAWFUL BUSINESSES WITHOUT PERMIT. In order effectively to regulate interstate and foreign commerce in distilled spirits, wine, and malt beverages, to enforce the twenty-first amendment, and to protect the revenue and enforce the postal laws with respect to distilled spirits, wine, and malt beverages:

(a) It shall be unlawful, except pursuant to a basic permit issued under this Act by the Secretary of the Treasury—

(1) to engage in the business of importing into the United States distilled spirits, wine, or malt beverages; or

(2) for any person so engaged to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, distilled spirits, wine, or malt beverages so imported.

(b) It shall be unlawful, except pursuant to a basic permit issued under this Act by the Secretary of the Treasury—

(1) to engage in the business of distilling distilled spirits, producing wine, rectifying or blending distilled spirits or wine, or bottling, or warehousing and bottling, distilled spirits; or

(2) for any person so engaged to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, distilled spirits or wine so distilled, produced, rectified, blended, or bottled, or warehoused and bottled.

(c) It shall be unlawful, except pursuant to a basic permit issued under this Act by the Secretary of the Treasury—

(1) to engage in the business of purchasing for resale at wholesale distilled spirits, wine, or malt beverages; or

(2) for any person so engaged to receive or to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign com-

merce, directly or indirectly or through an affiliate, distilled spirits, wine, or malt beverages so purchased.

This section shall not apply to any agency of a State or political subdivision thereof or any officer or employee of any such agency, and no such agency or officer or employee shall be required to obtain a basic permit under this Act.

SEC. 5, 49 Stat. 981 (27 U. S. C. 205) UNFAIR COMPETITION AND UNLAWFUL PRACTICES. It shall be unlawful for any person engaged in business as a distiller, brewer, rectifier, blender, or other producer, or as an importer or wholesaler, of distilled spirits, wine, or malt beverages, or as a bottler, or warehouseman and bottler, of distilled spirits, directly or indirectly or through an affiliate:

(a) *Exclusive outlet*: To require, by agreement or otherwise, that any retailer engaged in the sale of distilled spirits, wine, or malt beverages, purchase any such products from such person to the exclusion in whole or in part of distilled spirits, wine, or malt beverages sold or offered for sale by other persons in interstate or foreign commerce, if such requirement is made in the course of interstate or foreign commerce, or if such person engages in such practice to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such requirement is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such retailer in interstate or foreign commerce; or

(b) *"Tied house"*: To induce through any of the following means, any retailer, engaged in the sale of distilled spirits, wine, or malt beverages, to purchase any such products from such person to the exclusion in whole or in part of distilled spirits, wine, or malt beverages sold or offered for sale by other persons in interstate or foreign commerce, if such inducement is made in the course of interstate or foreign commerce, or if such person engages in the practice of using such means, or any of them, to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such inducement is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such retailer in interstate or foreign commerce:

(1) By acquiring or holding (after the expiration of any existing license) any interest in any license with respect to the premises of the retailer; or (2) by acquiring any interest in real or personal property owned, occupied, or used by the retailer in the conduct of his business; or (3) by furnishing, giving, renting, lending, or selling to the retailer any equipment, fixtures, signs, supplies, money, services, or other thing of value subject to such exceptions as the Secretary of the Treasury shall by regulation prescribe, having due regard for public health, the quantity and value of articles involved, established trade customs not contrary to the public interest and the purposes of this subsection; or (4) by paying or crediting the retailer for any advertising, display, or distribution service; or (5) by guaranteeing any loan or the repayment of any financial obligation of the retailer; or (6) by extending to the retailer credit for a period in excess of the credit period usual and customary to the industry for the particular class of transactions, as ascertained by the Secretary of the Treasury and prescribed by regulations by him; or (7) by requiring the retailer to take and dispose of a certain quota of any of such products; or

(c) *Commercial bribery*: To induce through any of the following means, any trade buyer engaged in the sale of distilled spirits, wine, or malt beverages, to purchase any such products from such person to the exclusion in whole or in part of distilled spirits, wine, or malt beverages sold or offered for sale by other persons in interstate

or foreign commerce, if such inducement is made in the course of interstate or foreign commerce, or if such person engages in the practice of using such means, or any of them, to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such inducement is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such trade buyer in interstate or foreign commerce: (1) By commercial bribery; or (2) by offering or giving any bonus, premium, or compensation to any officer, or employee, or representative of the trade buyer; or

(d) Consignment sales: To sell, offer for sale, or contract to sell to any trade buyer engaged in the sale of distilled spirits, wine, or malt beverages, or for any such trade buyer to purchase, offer to purchase, or contract to purchase, any such products on consignment or under conditional sale or with the privilege of return or on any basis otherwise than a bona fide sale, or where any part of such transaction involves, directly or indirectly, the acquisition by such person from the trade buyer or his agreement to acquire from the trade buyer other distilled spirits, wine, or malt beverages—if such sale, purchase, offer, or contract is made in the course of interstate or foreign commerce, or if such person or trade buyer engages in such practice to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such sale, purchase, offer, or contract is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such trade buyer in interstate or foreign commerce: *Provided*, That this subsection shall not apply to transactions involving solely the bona fide return of merchandise for ordinary and usual commercial reasons arising after the merchandise has been sold; or

(e) Labeling: To sell or ship or deliver for sale or shipment, or otherwise introduce in interstate or foreign commerce, or to receive therein, or to remove from customs custody for consumption, any distilled spirits, wine, or malt beverages in bottles, unless such products are bottled, packaged, and labeled in conformity with such regulations, to be prescribed by the Secretary of the Treasury, with respect to packaging, marking, branding, and labeling and size and fill of container (1) as will prohibit deception of the consumer with respect to such products or the quantity thereof and as will prohibit, irrespective of falsity, such statements relating to age, manufacturing processes, analyses, guarantees, and scientific or irrelevant matters as the Secretary of the Treasury finds to be likely to mislead the consumer; (2) as will provide the consumer with adequate information as to the identity and quality of the products, the alcoholic content thereof (except that statements of, or statements likely to be considered as statements of, alcoholic content of malt beverages are hereby prohibited unless required by State law and except that, in case of wines, statements of alcoholic content shall be required only for wines containing more than 14 per centum of alcohol by volume), the net contents of the package, and the manufacturer or bottler or importer of the product; (3) as will require an accurate statement, in the case of distilled spirits (other than cordials, liqueurs, and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, informing the consumer of the percentage of neutral spirits so used and of the name of the commodity from which such neutral spirits have been distilled, or in case of neutral spirits or of gin produced by a process of continuous distillation, the name of the commodity from which distilled; (4) as will prohibit statements on the label that are disparaging of a competitor's products or are false, misleading,

obscene, or indecent; and (5) as will prevent deception of the consumer by use of a trade or brand name that is the name of any living individual of public prominence, or existing private or public organization, or is a name that is in simulation or is an abbreviation thereof, and as will prevent the use of a graphic, pictorial, or emblematic representation of any such individual or organization, if the use of such name or representation is likely to lead the consumer to believe that the product has been indorsed, made, or used by, or produced for, or under the supervision of, or in accordance with the specifications of, such individual or organization: *Provided*, That this clause shall not apply to the use of the name of any person engaged in business as a distiller, brewer, rectifier, blender, or other producer, or as an importer, wholesaler, retailer, bottler, or warehouseman, of distilled spirits, wine, or malt beverages, nor to the use by any person of a trade or brand name used by him or his predecessor in interest prior to the date of the enactment of this Act: including regulations requiring, at time of release from customs custody, certificates issued by foreign governments covering origin, age, and identity of imported products: *Provided further*, That nothing herein nor any decision, ruling, or regulation of any Department of the Government shall deny the right of any person to use any trade name or brand of foreign origin not presently effectively registered in the United States Patent Office which has been used by such person or predecessors in the United States for a period of at least five years last past, if the use of such name or brand is qualified by the name of the locality in the United States in which the product is produced, and, in the case of the use of such name or brand on any label or in any advertisement, if such qualification is as conspicuous as such name or brand.

It shall be unlawful for any person to alter, mutilate, destroy, obliterate, or remove any mark, brand, or label upon distilled spirits, wine, or malt beverages held for sale in interstate or foreign commerce or after shipment therein, except as authorized by Federal law or except pursuant to regulations of the Secretary of the Treasury authorizing relabeling for purposes of compliance with the requirements of this subsection or of State law.

In order to prevent the sale or shipment or other introduction of distilled spirits, wine, or malt beverages in interstate or foreign commerce, if bottled, packaged, or labeled in violation of the requirements of this subsection, (1) no bottler of distilled spirits, no producer, blender, or wholesaler of wine, or proprietor of a bonded wine store-room, and no brewer or wholesaler of malt beverages shall bottle, and (2) no person shall remove from customs custody, in bottles, for sale or any other commercial purpose, distilled spirits, wine, or malt beverages, respectively, after such date as the Secretary of the Treasury fixes as the earliest practicable date for the application of the provisions of this subsection to any class of such persons (but not later than August 15, 1935, in the case of distilled spirits, and December 15, 1935, in the case of wine and malt beverages, and only after 30 days' public notice), unless, upon application to the Secretary of the Treasury, he has obtained and has in his possession a certificate of label approval covering the distilled spirits, wine, or malt beverages, issued by the Secretary of the Treasury in such manner and form as he shall by regulations prescribe: *Provided*, That any such bottler of distilled spirits, or producer, blender, or wholesaler of wine, or proprietor of a bonded wine store-room, or brewer or wholesaler of malt beverages shall be exempt from the requirements of this subsection if, upon application to the Secretary of the Treasury, he shows to the satisfaction of the Secretary of the Treasury that the distilled

spirits, wine, or malt beverages to be bottled by the applicant are not to be sold, or offered for sale, or shipped or delivered for shipment, or otherwise introduced, in interstate or foreign commerce. Officers of internal revenue are authorized and directed to withhold the release of distilled spirits from the bottling plant unless such certificates have been obtained, or unless the application of the bottler for exemption has been granted by the Secretary of the Treasury; and customs officers are authorized and directed to withhold the release from customs custody of distilled spirits, wine, and malt beverages, unless such certificates have been obtained. The District Courts of the United States, the District Court of the United States for the District of Columbia, and the United States court for any Territory shall have jurisdiction of suits to enjoin, annul, or suspend in whole or in part any final action by the Secretary upon any application under this subsection; or

(f) Advertising: To publish or disseminate or cause to be published or disseminated by radio broadcast, or in any newspaper, periodical or other publication or by any sign or outdoor advertisement or any other printed or graphic matter, any advertisement of distilled spirits, wine, or malt beverages, if such advertisement is in, or is calculated to induce sales in, interstate or foreign commerce, or is disseminated by mail, unless such advertisement is in conformity with such regulations, to be prescribed by the Secretary of the Treasury (1) as will prevent deception of the consumer with respect to the products advertised and as will prohibit, irrespective of falsity, such statements relating to age, manufacturing processes, analyses, guarantees, and scientific or irrelevant matters as the Secretary of the Treasury finds to be likely to mislead the consumer; (2) as will provide the consumer with adequate information as to the identity and quality of the products advertised, the alcoholic content thereof (except the statements of, or statements likely to be considered as statements of, alcoholic content of malt beverages and wines are prohibited), and the person responsible for the advertisement; (3) as will require an accurate statement, in the case of distilled spirits (other than cordials, liqueurs, and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, informing the consumer of the percentage of neutral spirits so used and of the name of the commodity from which such neutral spirits have been distilled, or in case of neutral spirits or of gin produced by a process of continuous distillation, the name of the commodity from which distilled; (4) as will prohibit statements that are disparaging of a competitor's products or are false, misleading, obscene, or indecent; (5) as will prevent statements inconsistent with any statement on the labeling of the products advertised. This subsection shall not apply to outdoor advertising in place on June 18, 1935, but shall apply upon replacement, restoration, or renovation of any such advertising. The prohibitions of this subsection and regulations thereunder shall not apply to the publisher of any newspaper, periodical, or other publication, or radio broadcaster, unless such publisher or radio broadcaster is engaged in business as a distiller, brewer, rectifier, or other producer, or as an importer or wholesaler, of distilled spirits, wine, or malt beverages, or as a bottler, or warehouseman and bottler, of distilled spirits, directly or indirectly or through an affiliate.

The provisions of subsections (a), (b), and (c) of this section shall not apply to any act done by an agency of a State or political subdivision thereof, or by any officer or employee of such agency.

In the case of malt beverages, the provisions of subsections (a), (b), (c), and (d) of this section shall apply to transactions between a retailer or trade buyer in any

State and a brewer, importer, or wholesaler of malt beverages outside such State only to the extent that the law of such State imposes similar requirements with respect to similar transactions between a retailer or trade buyer in such State and a brewer, importer, or wholesaler of malt beverages in such State, as the case may be. In the case of malt beverages, the provisions of this subsection and subsection (e) of this section shall apply to the labeling of malt beverages sold or shipped or delivered for shipment or otherwise introduced into or received in any State from any place outside thereof, or the advertising of malt beverages intended to be sold or shipped or delivered for shipment or otherwise introduced into or received in any State from any place outside thereof, only to the extent that the law of such State imposes similar requirements with respect to the labeling or advertising, as the case may be, of malt beverages not sold or shipped or delivered for shipment or otherwise introduced into or received in such State from any place outside thereof.

The Secretary of the Treasury shall give reasonable public notice, and afford to interested parties opportunity for hearing, prior to prescribing regulations to carry out the provisions of this section.

SEC. 6, 49 Stat. 985 (27 U. S. C. 206) BULK SALES AND BOTTLING. (a) It shall be unlawful for any person—

(1) To sell or offer to sell, contract to sell, or otherwise dispose of distilled spirits in bulk except, under regulations of the Secretary of the Treasury, for export or to the following, or to import distilled spirits in bulk except, under such regulations, for sale to or for use by the following: A distiller, rectifier of distilled spirits, person operating a bonded warehouse qualified under the internal-revenue laws or a class 8 bonded warehouse qualified under the customs laws, a winemaker for the fortification of wines, a proprietor of an industrial alcohol plant, or an agency of the United States or any State or political subdivision thereof.

(2) To sell or offer to sell, contract to sell, or otherwise dispose of warehouse receipts for distilled spirits in bulk unless such warehouse receipts require that the warehouseman shall package such distilled spirits, before delivery, in bottles labeled and marked in accordance with law, or deliver such distilled spirits in bulk only to persons to whom it is lawful to sell or otherwise dispose of distilled spirits in bulk.

(3) To bottle distilled spirits unless the bottler is a person to whom it is lawful to sell or otherwise dispose of distilled spirits in bulk.

(b) Any person who violates the requirements of this section shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year or both, and shall forfeit to the United States all distilled spirits with respect to which the violation occurs and the containers thereof.

(c) The term "in bulk" means in containers having a capacity in excess of one wine gallon.

SUBPART A—SCOPE OF REGULATIONS

§ 190.1 *Rectification of spirits and wines.* These regulations, "Regulations 15, Rectification of Spirits and Wines" (26 CFR, Part 190), contain the procedural and substantive requirements relative to the rectification of spirits and wines. The regulations cover requirements governing the location, construction, equipment, qualifying documents, changes in premises, equipment and proprietorship; action by district supervisor and Commissioner; operation and supervision of the rectifying plant; the receipt, dumping, rectification, bottling, rebottling, packaging, stamping, re-

stamping, labeling, and relabeling of spirits; removal of spirits from the rectifying plant; and records and reports of operations at rectifying plants.

SUBPART B—DEFINITIONS

§ 190.5 *Meaning of terms.* As used in this part, unless the context otherwise requires, terms shall have the meanings ascribed in this subpart.

§ 190.6 *Collector.* "Collector" shall mean the collector of internal revenue of the collection district in which the rectifying plant is located.

§ 190.7 *Commissioner.* "Commissioner" shall mean the Commissioner of Internal Revenue.

§ 190.8 *Distilled spirits.* "Distilled spirits" shall mean all the substances produced by the distillation of fermented grain, molasses, or other materials, commonly known as spirits, whisky, rum, gin, brandy, vodka, and alcohol.

§ 190.9 *District supervisor or supervisor.* "District Supervisor" or "Supervisor" shall mean the person having charge of a supervisory district of the Alcohol Tax Unit of the Bureau of Internal Revenue.

§ 190.10 *Gallon.* "Gallon" or "wine gallon" shall mean a United States gallon of liquid measure equivalent to the volume of 231 cubic inches.

§ 190.11 *I. R. C.* "I. R. C." shall mean the Internal Revenue Code.

§ 190.12 *Person, proprietor, or rectifier.* "Person," "proprietor," or "rectifier" shall include natural persons, associations, copartnerships, and corporations.

§ 190.13 *Proof.* "Proof" shall mean the ethyl alcohol content of a liquid at 60 degrees Fahrenheit, stated as twice the percent of ethyl alcohol by volume.

§ 190.14 *Proof gallon.* "Proof gallon" shall mean the alcoholic equivalent of a United States gallon at 60 degrees Fahrenheit, containing 50 percent of ethyl alcohol by volume.

§ 190.15 *Proof spirits.* "Proof spirits" shall mean that alcoholic liquor which contains 50 percent of ethyl alcohol by volume at 60 degrees Fahrenheit and which has a specific gravity of 0.93418 in air at 60 degrees Fahrenheit referred to water at 60 degrees Fahrenheit as unity.

(Sec. 2809 (c), I. R. C.)

§ 190.16 *Rectified spirits.* "Rectified spirits" shall mean all the products of rectification.

§ 190.17 *Rectifier.* "Rectifier" shall mean the proprietor of the rectifying plant.

§ 190.18 *Rectification.* "Rectification" shall mean any act constituting rectification as defined in section 3254 (g), I. R. C., and in this part.

§ 190.19 *Red strip stamps.* "Red strip stamps" shall mean the stamps prescribed under authority of section 2803 (d), I. R. C.

§ 190.20 *Secretary.* "Secretary" shall mean Secretary of the Treasury.

§ 190.21 *Spirits.* "Spirits" shall mean distilled spirits, wines, cordials, liqueurs, etc., except where otherwise indicated.

§ 190.22 *Tank car.* "Tank car" shall mean a railroad tank car.

§ 190.23 *Wines.* "Wines" shall mean all kinds and types of wine produced by the fermentation of fruits and berries, and all artificial or imitation wines or compounds sold as wine.

§ 190.24 *Inclusive language.* Words in the plural form shall include the singular, and vice versa, and words in the masculine gender shall include females, associations, copartnerships, and corporations.

SUBPART C—PERSONS REQUIRED TO QUALIFY AS RECTIFIERS

§ 190.30 *General.* Except as provided in §§ 190.31–190.38 any person who rectifies, purifies, or refines distilled spirits or wines, or who, by mixing such spirits or wines with each other, or with any materials, manufactures any spurious, imitation, or compound liquor for sale, and every wholesale or retail liquor dealer who has in his possession any still or leach tub, or who keeps any other apparatus for the purpose of refining in any manner distilled spirits, is a rectifier and must qualify as such.

(Secs. 2801 (c) (2), (e) (3), 3043, 3103, 3250, (h), (i), 3254 (g), I. R. C.)

EXCEPTIONS

§ 190.31 *Distillers.* Distillers who rectify, purify, or refine distilled spirits by original and continuous distillation from mash, wort, or wash through continuous, closed vessels and pipes until the manufacture thereof is complete, or who purify or refine spirits in the course of original and continuous distillation through any materials which will not remain incorporated with such spirits when the manufacture thereof is complete are not required to qualify as rectifiers.

(Secs. 2801 (c) (2), (e) (3), 3043, 3103, 3250, (h), (i), 3254 (g), I. R. C.)

§ 190.32 *Producers of absolute alcohol.* Persons who produce absolute alcohol by the process of extraction of water from high-proof spirits are not required to qualify as rectifiers.

(Secs. 2801 (c) (2), (e) (3), 3043, 3103, 3250, (h), (i), 3254 (g), I. R. C.)

§ 190.33 *Proprietors of bonded wineries or storerooms.* Proprietors of bonded wineries or bonded wine storerooms, who mix or blend untaxed wines for the sole purpose of perfecting such wines according to commercial standards, or who filter, clarify, or purify wines on bonded winery and bonded storeroom premises; and also proprietors of bonded wineries who manufacture vermouth with fortified sweet wine on bonded winery premises are not required to qualify as rectifiers.

(Secs. 2801 (c) (2), (e) (3), 3043, 3103, 3250, (h), (i), 3254 (g), I. R. C.)

§ 190.34 *Manufacturers of alcoholic compounds.* Persons who manufacture compounds which are declared by the Commissioner to be unfit for use for

beverage purposes are not required to qualify as rectifiers. (See Subpart D of this part.)

(Secs. 2801 (c) (2), (e) (3), 3043, 3103, 3250 (h), (i), 3254 (g), I. R. C.)

§ 190.35 Apothecaries. Apothecaries who use wines or spirituous liquors exclusively in the preparation or making up of medicines unfit for use for beverage purposes are not required to qualify as rectifiers.

(Secs. 2801 (c) (2), (e) (3), 3043, 3103, 3250 (h), (i), 3254 (g), I. R. C.)

§ 190.36 Manufacturing chemists. Manufacturing chemists or flavoring extract manufacturers who recover tax-paid alcohol or spirituous liquors from dregs or marc of percolation, if such recovered alcohol or spirituous liquors be again used in the manufacture of medicines or flavoring extracts of the kind in the production of which originally used are not required to qualify as rectifiers.

(Secs. 2801 (c) (2), (e) (3), 3043, 3103, 3250 (h), (i), 3254 (g), I. R. C.)

§ 190.37 Alcohol plants and bonded warehouses. Alcohol plants and alcohol bonded warehouses established and operated under Chapter 26, Subchapter C, Part II, I. R. C., and regulations issued pursuant thereto are not required to qualify as rectifiers.

(Secs. 2801 (c) (2), (e) (3), 3043, 3103, 3250 (h), (i), 3254 (g), I. R. C.)

§ 190.38 Retail liquor dealers. Retail liquor dealers who mix drinks, after orders have been received therefor, for consumption on the premises where sold are not required to qualify as rectifiers.

(Secs. 2801 (c) (2), (e) (3), 3043, 3103, 3250 (h), (i), 3254 (g), I. R. C.)

SUBPART D—PRODUCTS UNFIT FOR BEVERAGE USE

PRODUCTS EXEMPT FROM SPECIAL AND COMMODITY TAXES

§ 190.45 U. S. P., N. F., and A. I. H. preparations. Medicinal preparations manufactured in accordance with formulas prescribed by the United States Pharmacopoeia, the National Formulary, or the American Institute of Homeopathy, that are unfit for use for beverage purposes are considered as meeting the requirements for exemption from special and commodity taxes.

§ 190.46 Patent medicines. Patented, patent, and proprietary medicines that are unfit for use for beverage purposes are considered as meeting the requirements for exemption from special and commodity taxes.

§ 190.47 Toilet preparations. Toilet, medicinal, and antiseptic preparations and solutions that are unfit for use for beverage purposes are considered as meeting the requirements for exemption from special and commodity taxes.

§ 190.48 Flavoring extracts. Flavoring extracts, sirups, and concentrates that are unfit for use as beverages or for intoxicating beverage purposes, or flavoring extracts which conform to the requirements of the Food and Drug Administration, United States Department of Agriculture, are held to be unfit for

use for beverage purposes and are considered as meeting the requirements for exemption from special and commodity taxes.

§ 190.49 Laboratory reagents. Laboratory reagents, stains, and dyes that are unfit for use for beverage purposes are considered as meeting the requirements for exemption from special and commodity taxes.

§ 190.50 Salted wines. Salted wines which contain not in excess of 21 per cent alcohol by volume and not less than 1.5 grams of salt per 100 cubic centimeters are considered as meeting the requirements for exemption from special and commodity taxes.

§ 190.51 Sauces. Sauces or sirups consisting of sugar solutions and intoxicating liquors in which the alcohol does not exceed 12 per cent by volume and the sugar content is not less than 60 grams per 100 cubic centimeters are considered as meeting the requirements for exemption from special and commodity taxes.

§ 190.52 Brandied fruits. Brandied fruits consisting of solidly packaged fruits, either whole or segmented, and only sufficient liquor for flavoring and preserving are considered as meeting the requirements for exemption from special and commodity taxes.

§ 190.53 Food products. Food products such as mincemeat, plum pudding, and fruit cake where only sufficient liquor is used for flavoring and preserving; and ice cream and ices where only sufficient liquor is used for flavoring purposes are considered as meeting the requirements for exemption from special and commodity taxes.

§ 190.54 Restrictions. The products listed in §§ 190.45–190.53, must be sold only for non-beverage purposes. Any sale by the manufacturer for beverage purposes, or under such circumstances as would indicate that the manufacturer knew or had reason to believe that the product sold would be used for beverage purposes, will render the manufacturer liable for special and commodity taxes and penalties.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.55 Formulas and samples. Manufacturers must submit their formulas and samples of their products to the Commissioner for examination to verify the claim of the manufacturer as to his exemption from tax when requested to do so, or when the manufacturer is in doubt as to the classification of his product.

§ 190.56 Change of formula. If the Commissioner shall find at any time that any product manufactured under this Subpart as an unfit product exempt from tax is being used for beverage purposes, or for mixing with beverage liquors other than by a rectifier, he shall notify the manufacturer to desist the manufacturing thereof until the formula is so changed as to render the product not susceptible of beverage use and such change is approved by the Commissioner: *Provided*, That the provisions of this section shall not be so construed as to prohibit the use of such unfit products

in small quantities for flavoring drinks at the time of serving for immediate consumption. Where a formula is not so modified, pursuant to notice to desist, as to render the product unsuitable of beverage use, the manufacturer must immediately qualify as to rectifier and pay the rectification tax.

§ 190.57 Prohibited manufacture or storage. None of the products specified in §§ 190.45–190.53, may be manufactured or stored at a rectifying plant, except as specifically provided in § 190.58. While rectifiers may use flavors and flavoring extracts on which drawback of tax on the spirits used therein has been allowed under section 3250 (i), I. R. C., and Regulations 29 (26 CFR, Part 197), the premises used for manufacturing the flavors or flavoring extracts, if contiguous to the rectifying premises, must be completely separated from the rectifying premises by solid unbroken partitions and the two premises must not have means of communication with each other within the building. The rectifier may not transfer distilled spirits from the rectifying plant to the flavoring extract manufacturing premises or from the flavoring extract plant premises to the rectifying plant notwithstanding that the two premises may be owned and operated by the same person. Distilled spirits used at the flavoring extract manufacturing premises, must be received direct from the vendor and all records governing the receipt and use of distilled spirits and other ingredients in the manufacture of flavoring extracts must be kept on the flavoring extract manufacturing premises and not on the rectifying premises.

(Sec. 3250 (i), I. R. C.)

DERIVATION: T. D. 5482.

§ 190.58 Permissible manufacture or storage. Where flavors or flavoring extracts are manufactured on premises of the rectifying plant, they must be used exclusively in the manufacture of taxable products and no drawback of tax may be claimed thereon. Nonalcoholic grenadine, or grenadine containing less than one-half of 1 per cent of alcohol by volume and sufficient sugar to render it wholly unfit for use for beverage purposes, or other such flavoring materials, may not be manufactured on the premises of a rectifying plant unless they are to be used by the rectifier in making his taxable products.

(Sec. 3250 (i), I. R. C.)

DERIVATION: T. D. 5482.

USE OF ALCOHOLIC FLAVORING MATERIALS

§ 190.59 Limitation. The use of alcoholic flavors or flavoring extracts manufactured on premises other than a rectifying plant must be limited by the rectifier, so that the quantity of alcohol (proof gallons) contained therein will not represent more than 2½ percent of the quantity of alcohol (proof gallons) contained in the finished product, except as provided in § 190.60. For example, one hundred gallons of a finished cordial, fifty degrees of proof, contain fifty proof gallons. As 2½ percent of fifty equals 1.25, the cordial could contain not more than 1.25 proof gallons

of alcohol derived from such flavors or flavoring extracts used in its manufacture.

(Sec. 3250 (1), I. R. C.)

DERIVATION: T. D. 5573.

§ 190.60 Exception to limitation. In any case where the use of flavors or flavoring extracts in quantities in excess of the 2½ percent limitation prescribed in § 190.59 is required, such limitation shall not apply to the use of any flavors or flavoring extracts in excess thereof if the flavoring material used is purchased directly from the manufacturer and, as to each lot of purchased flavors or flavoring extracts containing alcohol, the rectifier has available for examination by the storekeeper-gauger an affidavit of the manufacturer showing: the quantity; the date of manufacture; the kind and brand of each flavor or flavoring extract; and that drawback under section 3250 (1), I. R. C., has not been nor will be claimed on any alcohol or distilled spirits contained in the flavor or flavoring extract.

(Sec. 3250 (1), I. R. C.)

DERIVATION: T. D. 5573.

§ 190.61 New formulas required. The manufacture of rectified products in which are used alcoholic flavors or flavoring extracts to an extent not consistent with the provisions of §§ 190.59, 190.60, and 190.361 are prohibited. New formulas, submitted for the purpose of showing the use of alcoholic flavors or flavoring extracts in the manufacture of rectified products, must furnish the information required by § 190.361.

(Sec. 3250 (1), I. R. C.)

DERIVATION: T. D. 5573.

SUBPART E—ALCOHOLIC PREPARATIONS FIT FOR BEVERAGE PURPOSES

§ 190.70 Classed as rectified liquors. United States Pharmacopoeia tincture of ginger is held to be a rectified liquor. Bitters, patent medicines, and similar alcoholic preparations which are fit for beverage purposes, although held out as having certain medicinal properties, are also classed as rectified liquors. Alcoholic preparations so classed must be manufactured in a rectifying plant and the 30-cent rectification tax must be paid thereon. Such preparations must be manufactured, tax-paid, bottled or packaged, stamped, recorded, and disposed of in accordance with the procedure prescribed in this Part for other rectified spirits or products. Sellers of such preparations must qualify as wholesale or retail liquor dealers, or both, according to the quantities which they desire to sell. (See Subpart T of this part.)

(Secs. 2900 (a) (5), 3250 (a), (b), 3254, I. R. C.)

§ 190.71 Exempt U. S. P. and N. F. preparations. The following United States Pharmacopoeia and National Formulary preparations which are used by physicians and pharmacists principally as vehicles, and which are capable of beverage use, may be made with alcohol, and sold in good faith for legitimate nonbeverage purposes without

incurring liability for rectification and special taxes for their manufacture and sale:

Elixir aromaticum.
Elixir anis.
Elixir aromaticum rubrum.
Elixir aurantii amari.
Elixir cardamomi compositum.
Elixir glycyrrhizae.
Elixir glycyrrhizae aromaticum.
Elixir taraxaci compositum.
Elixir terpinii hydratis.
Spiritus aetheris.
Spiritus myrciae.
Tinctura amara.
Tinctura aromatica.
Tinctura aurantii dulcis.
Tinctura limonis corticis.

SUBPART F—LOCATION AND USE

§ 190.80 Restrictions. Rectifying plants for the rectification of distilled spirits or wine may not be located on board of any vessel or boat, or within 600 feet in a direct line of a vinegar factory using the vaporizing process, or, except as provided by this part, within 600 feet in a direct line of a distillery or volatile fruit-flavor concentrate plant. The provisions of §§ 190.81-190.83, 190.157, 190.218, and 190.300, relating to the carrying on of the business of rectifying spirits or wine at a distance of less than 600 feet in a direct line from a distillery, shall apply equally to the carrying on of such business at a distance of less than 600 feet in a direct line from a volatile fruit-flavor concentrate plant.

(Secs. 2819, 2832, 2834, 3170, 3182, I. R. C.)

DERIVATION: T. D. 5762.

§ 190.81 Within 600 feet of distillery. The district supervisor may permit the carrying on of the business of rectifying spirits or wines at a distance of less than 600 feet in a direct line from a distillery, when he is of the opinion that the revenue will not be endangered thereby.

(Secs. 2819, 2832, 3170, I. R. C.)

DERIVATION: T. D. 5681.

§ 190.82 Special application. A person desiring to establish a rectifying plant within 600 feet of a distillery shall file a special application, in triplicate, for such privilege with the district supervisor. The application shall state the location of the rectifying plant and the distillery, the distance between the premises, the name of the distiller, a description of any connecting pipe lines, the reason for locating the rectifying plant within 600 feet of the distillery, and any additional information which the district supervisor may require. The district supervisor will take action on such special application in accordance with the procedure prescribed in § 190.300.

(Secs. 2819, 2832, 3170, I. R. C.)

DERIVATION: T. D. 5681.

§ 190.83 Changes requiring approval. Where there is to be a change in the distance between a rectifying plant and a distillery located within 600 feet of each other as a result of the extension or curtailment of either premises, a new special application, in triplicate, must be filed with the district supervisor by the proprietor of the premises which are to be extended or curtailed. Where a change occurs in the proprietorship of a recti-

fying plant or distillery located within 600 feet of each other, the new proprietor shall file with the district supervisor a new special application, in triplicate. Unless the rectifying plant premises are extended or curtailed as the result of such change, the change may be reflected in the next amended notice, Form 27-B, and plat filed by the rectifier. Such new special application shall be considered and disposed of in accordance with § 190.300.

(Secs. 2819, 2832, 3170, I. R. C.)

DERIVATION: T. D. 5681.

§ 190.84 Use of premises. The premises of a rectifying plant shall be used exclusively for the business of rectification and the bottling of liquors, whether rectified or not.

(Sec. 2801 (e) (2), I. R. C.)

SUBPART G—CONSTRUCTION

§ 190.90 Building or rooms. The rectifying plant must be so constructed and equipped as to be suitable for the rectification of spirits by the process or processes, of rectification which the rectifier proposes to use. The room or building must be securely constructed of brick, stone, wood, concrete, or other substantial material, and must be completely separated from contiguous buildings or rooms by solid, unbroken partitions, or floors of substantial construction, except as provided in this part. Where the rectifying plant is under the same roof or in the same building in which the rectifier or his affiliate or subsidiary operates a tax-paid bottling house, wholesale liquor dealer premises, or another rectifying plant, the district supervisor may, in his discretion, authorize the rectifying plant to be separated from such premises by partitions of expanded metal or woven wire of not less than 9-gauge nor more than 2-inch mesh extending from the floor to the ceiling or roof: *Provided*, That such partitions of expanded metal or woven wire may not be authorized if the tax-paid bottling house operates alternately as a bottling in bond department of an internal revenue bonded warehouse. All partitions shall extend from the ground to the roof, or from the floor to the ceiling if a room is used, and if the rectifying plant is under the same roof or in the same building in which is located an internal revenue bonded warehouse, or a tax-paid bottling house, the two premises must not have means of communication with each other within the building, except by approved pipe lines as authorized in this part: *Provided*, That where a rectifying plant has heretofore been established under the same roof, or in the same building, with an internal revenue bonded warehouse or a tax-paid bottling house with interior communication between the two premises, it may continue to operate in such location if the revenue will not be jeopardized thereby. Where distilled water or tax-paid spirits are to be transferred by pipe line to, or from, the rectifying plant in accordance with this part necessary openings for the passage of the required pipe lines may be permitted in the walls or partitions, and necessary openings for passage of approved water, steam, sewer, or similar lines may like-

wise be permitted in the walls or partitions. Where contiguous wholesale liquor dealer premises are used in lieu of a finished product room, the necessary doors or openings may be permitted in the walls or partitions for the transfer of filled cases.

§ 190.91 Means of ingress and egress. The doors must lead into the yard connected with the rectifying plant or a public street: *Provided*, That where a room is used, the door may open into an elevator shaft, or a common passageway partitioned off from other businesses, leading either directly or through another elevator shaft or similar passageway to the street or yard. The partitions forming a common passageway shall be substantially constructed of solid materials or expanded metal or woven wire of not less than 9-gauge nor more than 2-inch mesh, and shall extend from the floor to the ceiling or roof, but doors may be permitted therein if they do not afford interior communication with an internal revenue bonded warehouse or tax-paid bottling house in the same building. Common passageways must be used exclusively as means of communication.

(Sec. 2801 (e) (2), I. R. C.)

§ 190.92 Doors, windows, and other openings. The doors, windows, and other openings in the room or building comprising the rectifying plant must be so arranged and constructed that they may be securely locked or fastened. No door, window, or other opening will be permitted in the walls or floors leading into another room or building which is not a part of the rectifying plant.

§ 190.93 Division of premises. The division of the rectifying plant into departments, as required by this Subpart, shall be effected by securely constructed, solid partitions or by expanded metal or woven wire of not less than 9-gauge nor more than 2-inch mesh. The partitions in all instances shall extend from the floor to the ceiling or roof, or not less than 12 feet from the floor. There may be communicating doors or elevators between the various departments of the rectifying plant, but such departments shall not be separated from each other by intervening businesses. If more than one room is used for the same purpose, such rooms shall be given alphabetical designations, as "A," "B," "C," etc. A sign must be posted over the door to each room indicating its use.

§ 190.94 Receiving room. A room must be provided for the storage of all alcohol, distilled spirits, or wines, received for rectification or for bottling, which room shall be used exclusively for such purpose and shall be designated "Receiving Room": *Provided*, That the district supervisor may, in his discretion, approve storage tanks meeting the requirements of § 190.118, located in rectifying rooms.

§ 190.95 Rectifying room. A separate room designated "Rectifying Room" must be provided, wherein all operations in connection with the rectification, blending, bottling, etc., of spirits must be conducted. The rectifying room may

be further divided as provided in §§ 190.96-190.98.

§ 190.96 Quick-aging room. Where a separate room is provided for the treatment of spirits in barrels and kegs for quick-aging purposes, such room shall be designated "Quick-aging Room."

§ 190.97 Champagne room. Where champagne or other sparkling wines are manufactured, a separate room designated "Champagne Room" must be provided therefor, unless the rectifying room is used exclusively for the manufacture of such liquors.

§ 190.98 Wine bottling room. Where it is impracticable to bottle wine and certain cordials and liqueurs from the prescribed locked bottling tanks, and it is necessary to bottle such products from the original package or from the container in which compounded, the rectifier must provide for such bottling a room to be designated "Wine Bottling Room." Such room shall be constructed of substantial, solid materials, and the doors and other openings must be so constructed that they may be securely locked or fastened from the inside, except the entrance door which must be so constructed that it may be securely locked from the outside of the room with a Government lock.

§ 190.99 Finished products room. A room must be provided by the rectifier for the storage of spirits packaged by him: *Provided*, That if the rectifier conducts no bottling operations whatsoever and his entire production is transferred by pipe line to a contiguous tax-paid bottling house or rectifying plant for bottling, or if the rectifier maintains a contiguous wholesale liquor dealer room and removes all spirits thereto immediately upon tax-payment and completion of bottling, a finished products room need not be provided. Where a finished products room is provided, it shall be used exclusively for the purpose specified and shall be designated "Finished Products Room."

§ 190.100 Export storage room. If the rectifier intends to bottle or package distilled spirits or wines for export, a separate room for the storage of such products exclusively must be provided and designated "Export Storage Room." The room must be constructed of substantial, solid material: *Provided*, That the partitions separating such room from other parts of the rectifying plant may be constructed of expanded metal or woven wire of not less than 9-gauge nor more than 2-inch mesh, extending from the floor to the ceiling or roof. All windows, doors, or other openings must be so constructed that they may be securely locked or fastened from the inside, except the entrance door, which must be so constructed that it may be securely locked from the outside of the room with a Government seal lock.

(Sec. 3179 (b), I. R. C.)

DERIVATION: T. D. 5598.

§ 190.101 Empty container storeroom. If empty barrels, bottles, or other containers are stored within the rectifying plant, they must be segregated from

filled containers. If a separate room is provided for such purpose, it will be designated "Empty Container Storeroom."

§ 190.102 Office facilities. The rectifier shall provide and maintain on the rectifying plant premises suitable office facilities, including desk and file cabinet, for the use of Government officers. There shall also be provided a metal cabinet of adequate strength and size, suitably equipped for locking with a Government seal lock, for use in safeguarding the keys to Government locks, seals and other Government property, and stamps in the custody of Government officers. Such facilities shall be subject to approval by the district supervisor.

SUBPART H—SIGN

§ 190.110 Posting of sign. The rectifier shall place and keep conspicuously on the outside and at the front of the rectifying plant or over the front entrance thereto, where it can be plainly seen, a sign, exhibiting in plain and legible letters, painted in oil colors or gilded, not less than 3 inches in height and of a proper and proportionate width, the name of the rectifier and the words, "Rectifier of Spirits," and "Plant No. —," using the registry number assigned by the district supervisor.

SUBPART I—EQUIPMENT

§ 190.115 Scales. The rectifier must provide suitable and accurate scales for weighing spirits to be dumped from or drawn into packages. The beams or dials must indicate weight in half-pound graduations.

(Sec. 2861, I. R. C.)

DERIVATION: T. D. 5541.

§ 190.116 Weighing tanks. Where weighing tanks are used for gauging spirits, such tanks shall be constructed of metal, and shall be stationary and of uniform dimensions from top to bottom. Each such tank shall be equipped with a suitable measuring device whereby the contents will be correctly indicated. If the weighing tanks are to be used for gauging rectified spirits for determining the amount of tax, or gauging tax-exempt products prior to transfer of the spirits to a bottling tank, such weighing tanks must also conform to the requirements of § 190.124. The gauging of spirits in a weighing tank connected with a bottling tank shall be deemed to meet the requirements of this Part for gauging the spirits in a bottling tank mounted on scales: *Provided*, That after gauging, the spirits may be transferred to the bottling tank for immediate tax payment if subject to the rectification tax. Each weighing tank shall be mounted on accurate scales and shall have plainly and legibly painted thereon the words "Weighing Tank," followed by its serial number and capacity in wine gallons. The beams or dials of scales must be graduated to enable readings to be made as follows: To the nearest ½ pound for weighing lots of spirits not to exceed 2,000 pounds; to the nearest 1 pound for weighing lots of spirits over 2,000, but not exceeding 6,000 pounds;

to the nearest 2 pounds for weighing lots of spirits over 6,000, but not exceeding 20,000 pounds; to the nearest 5 pounds for weighing lots of spirits over 20,000, but not exceeding 50,000 pounds; and to the nearest 10 pounds for weighing lots of spirits over 50,000 pounds.

(Sec. 2829, I. R. C.)

§ 190.117 Test weights. The rectifier shall provide a set of ten 50-pound cast-iron test weights, which shall be certified by the National Bureau of Standards or State departments of weights and measures, as conforming to Class "C" requirements of the National Bureau of Standards. If the rectifier has provided such test weights at a distillery, internal revenue bonded warehouse, industrial alcohol plant or bonded warehouse, bonded winery, or tax-paid bottling house, operated by him on contiguous or nearby premises, he need not provide a separate set of weights for the rectifying plant. If the rectifier receives and fills only small packages, he may provide only such number of test weights as will exceed the maximum weight of any such package. All test weights shall be placed under the control and in the custody of the storekeeper-gauger in charge, who shall keep them under Government lock when not in use. In case a scale becomes inaccurate for any reason, the storekeeper-gauger will not permit it to be used while it is in such condition.

§ 190.118 Storage tanks. If spirits are received in tank cars, or by pipe line from a contiguous registered or fruit distillery, internal revenue bonded warehouse, industrial alcohol plant, industrial alcohol bonded warehouse, or bonded winery, suitable storage tanks must be provided within which to store such spirits, except that such storage tanks will not be required in the case of spirits which are transferred directly to processing and bottling tanks in accordance with §§ 190.407-190.408. Each storage tank shall be constructed of metal and be of uniform dimensions from top to bottom. Each such tank shall be equipped with a suitable measuring device, or mounted on scales, whereby the actual contents will be correctly indicated. There shall be painted on each tank the words, "Storage Tank," followed by its serial number and capacity in gallons. A suitable board shall be provided on each storage tank for the attachment of Forms 703-A, 1520, or 1440, as provided in this part. Manheads, inlets, and outlets of the tanks must be provided with facilities for locking with Government locks. Stopcocks must be provided and so arranged as to control completely the flow of spirits, both into and out of the tank. The construction of the valves must be such that they can be secured with Government locks. The pipe connections containing such stopcocks or valves must be brazed, welded, or otherwise secured, to the tanks in such a manner that they cannot be detached or altered without showing evidence of tampering. Storage tanks may be permanently connected with pipe lines for the conveyance thereto of air and distilled water, but the distilled water pipe line must be affixed to the top of the tank. Such pipe lines must be equipped with a control valve which may be locked

with a Government lock. Pipe lines used for the conveyance of air must also be equipped with a check valve located near the point of entry to the tank in order to effectively prevent any abstraction of spirits from the tank. Other pipe lines, except those used for the conveyance of spirits, may not be permanently connected with such tanks.

(Secs. 2829, 2833, I. R. C.)

DERIVATION: T. D. 5762.

§ 190.119 Dumping and reducing tanks. If dumping and reducing tanks are provided, the same shall be located in the rectifying room and shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated. Each such tank shall have plainly and legibly painted thereon the words, "Dumping and Reducing Tank," followed by its serial number and capacity in gallons.

(Sec. 2829, I. R. C.)

§ 190.120 Processing tanks. The rectifier shall provide a sufficient number of processing tanks, which shall be located in the rectifying room. Processing tanks shall be equipped with a suitable measuring device whereby the actual contents will be correctly indicated. Each such tank shall have plainly and legibly painted thereon the words, "Processing Tank," followed by its serial number and capacity in gallons. Tanks used for blending, compounding, quick-aging, percolating, etc., will be considered processing tanks and must be so marked.

(Sec. 2829, I. R. C.)

§ 190.121 Processing receptacles. Where barrels or other similar containers are used for rectifying, each such receptacle shall be marked with the words, "Processing Receptacle," followed by its serial number and capacity in gallons. Such receptacles must be so constructed and located that the contents thereof may be readily determined by Government officers. Open bowls, similar to crocks and jars used for macerating, in which spirits are held for a short time during the process of mixing, must be designated "Processing Receptacle," and be located in the rectifying room.

§ 190.122 Receiving tanks. Where rectified products are produced by redistillation, such as gin and cordials, or where spirits are redistilled, the rectifier must provide a requisite number of receiving tanks. Each such tank shall be constructed of metal and shall be of uniform dimensions from top to bottom and equipped with a suitable measuring device whereby the contents will be correctly indicated. Manheads, inlets, and outlets of such tanks must be provided with facilities for locking with Government locks. Each such tank shall have plainly and legibly painted thereon words indicating its use, as "Gin Receiving Tank," "Cordial Receiving Tank," "Heads and Tails Receiving Tank," etc., followed by its serial number and capacity in gallons. Receiving tanks must be located in the rectifying room.

(Sec. 2829, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.123 Quick-aging packages. Where spirits are treated in barrels or

kegs for quick-aging or other purposes, each such package shall be marked "Quick-aging Package," followed by its serial number and capacity in gallons. Quick-aging packages must be located in the rectifying room or in the quick-aging room, if one has been provided.

§ 190.124 Bottling tanks. Where spirits are bottled at the rectifying plant, the rectifier shall provide in the rectifying room, or bottling room if one is provided, one or more bottling tanks securely constructed of metal, and such tanks shall be of uniform dimensions from top to bottom. Each bottling tank shall be mounted on scales, or equipped with a suitable measuring device whereby the contents will be accurately and precisely indicated, and shall have plainly and legibly painted thereon the words "Bottling Tank," followed by its serial number and capacity in gallons. A suitable board shall be provided on each bottling tank for the attachment of Forms 237 and 230. Each bottling tank must be closed, and any necessary openings therein affording access to the interior, or to the contents, must be provided with a cover, which will be secured by a Government lock. Stopcocks must be provided and so arranged as to completely control the flow of spirits both into and out of the bottling tank, and so constructed that they may be locked with a Government lock. The pipe connections containing such stopcocks or valves must be brazed, welded, or otherwise secured to the tank in such a manner that they cannot be detached or altered without showing evidence of tampering, and the outlet pipe connection shall be equipped with a check valve. The pipe line connecting the bottling tanks with the bottling machine must conform to the requirements of § 190.132. Bottling tanks may be permanently connected with pipe lines for the conveyance thereto of air and distilled water, but the distilled water pipe line must be affixed to the top of the tank. Such pipe lines must be equipped with a control valve which may be locked with a Government lock. Pipe lines used for the conveyance of air must also be equipped with a check valve located near the point of entry to the tank in order to effectively prevent any abstraction of spirits from the tank. Other pipe lines, except those used for the conveyance of spirits, may not be permanently connected with such tanks. Bottling tanks shall be accurately and precisely calibrated.

§ 190.125 Special bottling tanks. Where highly aromatic liquors, such as anisette and crème de menthe, are produced and bottled, and a special bottling tank is necessary for the bottling thereof, the rectifier may provide in the rectifying room or bottling room one or more small bottling tanks suitable for such purpose. Such special bottling tanks must be constructed, arranged, and secured as provided by § 190.124 in the case of regular bottling tanks, and each special bottling tank shall have plainly and legibly painted thereon the words, "Special Bottling Tank," followed by its serial number and capacity in gallons.

(Sec. 2829, I. R. C.)

§ 190.126 Package filling tanks. Where distilled spirits or wines are to be packaged especially for export with benefit of drawback, tanks suitable for the purpose, and constructed and equipped in accordance with the provisions and requirements of § 190.124 governing the construction and equipment of bottling tanks, shall be provided by the rectifier. The bottling tank may be used as the package filling tank, provided it is equipped with an approved outlet for filling packages and such outlet is equipped for locking with a Government lock when not in use.

(Secs. 2829, 3179 (b), I. R. C.)

DERIVATION: T. D. 5598.

§ 190.127 Gravity tanks. The rectifier may, if necessary, install a small gravity tank between the bottling tanks and bottling machine, for the purpose of maintaining a constant head pressure or to afford a gravity flow to the bottling machine. Such tank must be so arranged that it can be filled only through the bottling tanks and the same must be connected with the bottling tanks and the bottling machine as provided in §§ 190.132, and 190.137-190.140. The capacity of the gravity tank shall be no larger than necessary and the manhead shall be equipped for locking with a Government lock. Gravity tanks must be equipped with a suitable measuring device whereby the contents will be correctly indicated, and each such tank shall have plainly and legibly marked thereon the words, "Gravity Tank," followed by its serial number and capacity in gallons.

(Sec. 2829, I. R. C.)

§ 190.128 Accumulation tanks. Where the rectifier removes distilled spirits from the bottling line which contain sediment or foreign matter, or which otherwise require refiltering or rebottling, he may install suitable accumulation tanks in the bottling room for the accumulation of such spirits. Each such tank shall have plainly and legibly painted thereon the words "Accumulation Tank," followed by its serial number and capacity in gallons. If the spirits accumulated in each tank are of the same class and type, they may be returned to the bottling tank system for refiltering and bottling with the same batch of spirits. The return of the spirits to the bottling tank system must be under the supervision of the storekeeper-gauger. Unless the spirits are refiltered and bottled with the same lot of spirits from which they were originally bottled, they must be returned for rectification under an approved formula, or, in the case of spirits not subjected to taxable rectification, returned to the dumping and reducing tank for commingling with spirits without rectification within the limitation of § 190.697. In such case, appropriate notation will be made on the Form 230 or Form 237 relative to the return of the spirits.

DERIVATION: T. D. 5681.

§ 190.129 Stills. All stills in the rectifying plant shall be located in the rectifying room and shall be of substantial construction and must have a clear

space of not less than 1 foot around them. Every still must have plainly and legibly painted thereon words indicating its use, or uses, as "Gin Still," "Cordial Still," "Water Still," etc., followed by its serial number and capacity in wine gallons. All stills, except cordial stills of not more than 250 wine-gallon capacity and water stills, shall be connected with the receiving tanks by continuous permanent pipe lines: *Provided*, That, where such receiving tank is mounted on scales, the pipe line may be connected with the tank by means of flexible connections with the ends permanently attached and secured by means of Government cap seals, or by brazing or welding, to the inlet of the tank and to the pipe line. If the gin still is equipped with a pipe line to by-pass the berry basket, such pipe line must be equipped with a valve for locking with a Government lock.

DERIVATION: T. D. 5762.

§ 190.130 Other rectifying equipment. Other rectifying equipment shall be located in the rectifying room and, where practicable, shall be appropriately marked. Tanks used for more than one purpose shall be marked accordingly, as "Weighing and Storage Tank," but processing tanks used for the rectification of spirits may not be used in connection with the bottling of spirits without rectification.

§ 190.131 Distilled water storage tanks. If the rectifier produces distilled water, or receives the same by pipe line from contiguous establishments operated under internal revenue laws and regulations, distilled water storage tanks shall be provided and so located that their contents may be readily inspected by Government officers. Each such tank shall be equipped with a suitable measuring device whereby the actual contents will be indicated, and shall have plainly and legibly marked thereon the words, "Distilled Water Storage Tank," followed by its serial number and capacity in gallons. Where distilled water is to be conveyed by pipe line to contiguous establishments operated under the internal revenue laws and regulations, the storage tanks from which the distilled water is to be conveyed must be so constructed that any necessary openings therein may be closed and secured with a Government lock. The pipe line must be securely constructed as provided in § 190.135. Barrels or other wooden containers in which distilled spirits were previously packaged may not be used for the removal of distilled water.

(Sec. 2829, I. R. C.)

PIPE LINES

§ 190.132 Pipe lines connecting bottling tanks and bottling machine. The bottling tanks shall be connected with the bottling machine by a fixed pipe line exposed to view throughout its entire length: *Provided*, That where it is impracticable to connect the bottling tanks and the bottling machine with a fixed pipe line by reason of the bottling tank being mounted on scales, the location of filters or a gravity tank between the bottling tanks and the bottling machine, the

type of bottling machine used, the use of a manifold system at large plants with a number of bottling tanks and bottling machines, or other valid reason, short, detachable hose connections may be used at such points if the inlet of the bottling machine is equipped with a valve for locking with a Government lock. Where such detachable hose connections are used and it is desired to bottle spirits in the absence of the storekeeper-gauger either during or after regular business hours, the connections shall be enclosed within a secure wire cage or room equipped for locking with a Government lock, or, if preferred, the ends of each such connection may be securely sealed to the inlet or outlet of the tank and to the pipe line or the inlet of the bottling machine, as the case may be.

(Sec. 2829, I. R. C.)

DERIVATION: T. D. 5762.

§ 190.133 Pipe lines to contiguous tax-paid bottling house or rectifying plant. Pipe lines used for the conveyance of spirits to a contiguous tax-paid bottling house or rectifying plant for bottling, as provided in § 190.650-190.654, shall be of a fixed and permanent character, securely constructed and connected and so arranged as to be exposed to view throughout their entire lengths, and all connections, valves, flanges, unions, etc., shall be brazed, welded, or otherwise secured. A separate and permanent pipe line must be installed to connect the bottling tank in the rectifying plant with the bottling tank in the contiguous tax-paid bottling house or rectifying plant, from and to which spirits are to be transferred, and each such pipe line must be equipped with a valve, in the transferring rectifying plant, capable of being locked with a Government lock: *Provided*, That, where spirits are to be conveyed from two or more bottling tanks in the rectifying plant or to two or more bottling tanks in the contiguous tax-paid bottling house or rectifying plant, the pipe line may be connected with the bottling tanks by manifold connections so arranged as to control the flow of spirits from or into each tank. There shall be painted on each pipe line extending from the manifold to the bottling tanks a number corresponding with the serial number of the bottling tank with which the pipe line is connected, unless the arrangement of the pipe line is such that the identity of the tank with which it is connected is apparent. Each pipe line from a contiguous rectifying plant shall have painted thereon, at a point near the manifold or valve controlling the flow, identification as to the premises from which the pipe line originated, as "RP-7". Where the bottling tank is mounted on scales, the pipe line may be connected therewith by means of short, detachable hose connections if the end of the pipe line is equipped with a valve which may be locked with a Government lock.

§ 190.134 Pipe lines from other contiguous premises. The pipe lines used for the conveyance of tax-paid spirits to storage, processing, or bottling tanks must be of a fixed and permanent character, securely constructed and connected

and so arranged as to be exposed to view throughout their entire lengths. Such pipe lines, except those from a bonded winery, must be secured by brazing, welding, fastening and sealing, or locking with Government locks as to effectually prevent disconnection and access to the spirits. When the storage, processing, or bottling tanks are mounted on scales the pipe line may be connected therewith by means of short, detachable hose connections if the end of the pipe line is equipped with a valve which may be locked with a Government lock. Where spirits are to be conveyed to two or more storage, processing, or bottling tanks in the rectifying plant, the pipe lines may be connected with such tanks by manifold connections so arranged as to control the flow of spirits into each tank. Each pipe line from a contiguous establishment shall have painted thereon, at a point near the manifold or valve controlling the flow, identification as to the premises from which the pipe line originated, as "RD-7", "IRBW-2", etc. Filters may be installed in pipe lines connected with bottling tanks, if inlet and outlet lines to be attached to filters are equipped with valves which may be locked with Government locks. Only spirits which are to be bottled without rectification may be conveyed by pipe line from contiguous premises directly into bottling tanks. There shall be painted on each pipe line extending from the manifold to storage, processing, or bottling tanks, a designation and number corresponding with the serial number of the tank with which the pipe line is connected, unless the arrangement of the pipe line is such that the identity of the tank with which it is connected is apparent.

(Secs. 2829, 2883, I. R. C.)

§ 190.135 Distilled water pipe lines. The pipe line used for the conveyance of distilled water to contiguous establishments operated under the internal revenue laws and regulations must be an independent one, without any connection with any other pipe, tank, vessel, or utensil on the rectifying plant premises, except the distilled water storage tank: *Provided*, That where distilled water is to be so conveyed from two or more distilled water storage tanks, the pipe line may be connected with such tanks by permanent manifold connections. The pipe line must be of a fixed and permanent character, securely constructed and so arranged as to be exposed to view throughout its entire length. The valves, flanges, and other connections in such pipe line on the rectifying plant premises must be brazed, welded, or otherwise secured, in such a manner that the pipe line and its connections cannot be detached or altered without showing evidence of tampering. Where distilled water is produced in the rectifying plant, the distilled water storage tank must be connected with the water still by a continuous, fixed, pipe line.

(Secs. 2829, 2883, I. R. C.)

§ 190.136 Colors for pipe lines. The pipe lines in the rectifying plant used for conveying the following substances shall be kept painted in the colors indicated:

Black.....	Spirits.
Blue.....	Vapor, high wines, low wines, and heads and tails.
Brown.....	Residue from stills.
White.....	Water.
Aluminum.....	Steam.
Orange.....	Air.
Purple.....	Refrigerants.

These colors are intended for such pipe lines only and are prescribed for the purpose of distinguishing such pipe lines from each other and from all other pipe lines on the premises which are painted but for which colors are not prescribed. The painting in one of the prescribed colors or a color similar thereto, of a pipe line for which a color is not prescribed, is prohibited. Pipe lines for which colors are not prescribed may be painted in sections of not more than 3 feet in contrasting colors.

SEALING PIPE LINES

§ 190.137 General. Where flanges, unions, valves and other detachable connections in pipe lines are not secured by welding or brazing, and are not to be secured by Government locks, they must be prepared by the rectifier for sealing with "cap" seals.

(Sec. 2829, I. R. C.)

§ 190.138 Sealing flanges. Flanges may be prepared for sealing by one of the following methods:

(a) By applying a "castle" nut with a hole drilled through the bolt so that the sealing wire may be passed through like a cotter pin, two such nuts being applied to each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three such nuts will be applied at approximately equal distances apart;

(b) By drilling a small hole through both nut and bolt, two such bolts and nuts being drilled for each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three bolts and nuts will be so drilled at approximately equal distances apart; or

(c) By drilling a hole through the corner of the head of the bolt and one through the corner of the nut so the two will be sealed together, two such bolts and nuts being drilled for each flange, opposite each other, unless the flange is secured with an uneven number of bolts, in which case three bolts and nuts will be so drilled at approximately equal distances apart.

(Sec. 2829, I. R. C.)

§ 190.139 Sealing unions. Unions will be prepared for sealing by enclosing the same in a metal box with holes for the sealing wire.

(Sec. 2829, I. R. C.)

§ 190.140 Sealing valves. Small gate and globe valves may be prepared for sealing by enclosing the packing nut and hood with a metal band or strap drawn tightly around the valve and fitted for reception of the sealing wire, or by drilling a hole in the packing nut so that the sealing wire may be passed through and drawn around the pipe and sealed. Where valves have large flanges, such flanges may be sealed in the same manner as other flanges.

(Sec. 2829, I. R. C.)

DETAILS OF CONSTRUCTION AND EQUIPMENT

§ 190.141 General. Where details of construction and equipment are not covered by this part, such construction and equipment must afford the same degree of security and protection to the spirits in the rectifying plant as is intended by the construction and equipment specifications prescribed in this subpart. The Commissioner may approve details of construction and equipment in lieu of those specified in this subpart where it is shown that it is impracticable to conform to the prescribed specifications, and the proposed construction and equipment will afford as much security and protection as the construction and equipment prescribed. Where it is proposed to substitute construction and equipment for that for which specifications are prescribed, or where any doubt prevails in regard to the security and protection which will be afforded by construction and equipment not covered by this part, approval of the Commissioner should be first obtained.

(Sec. 2829, I. R. C.)

§ 190.142 Plants heretofore established. Rectifying plants heretofore established may continue to operate unless the present construction and equipment do not afford adequate security and protection to the revenue. The Commissioner or district supervisor may at any time require the proprietor to make changes in construction and equipment conforming to the provisions of this part, if deemed necessary to safeguard the revenue or to permit more economical and efficient supervision by Government officers. All rectifying plants hereafter established, and changes in existing rectifying plants, must be in conformity with this part.

(Sec. 2829, I. R. C.)

SUBPART J—QUALIFYING DOCUMENTS

§ 190.155 Notice, Form 27-B. Every person intending to engage in the business of a rectifier must give notice of such intention on Form 27-B, in triplicate, to the district supervisor before engaging in the business. Except as provided in § 190.162 in the case of amended and supplemental notices, all of the information indicated by the headings of the various columns and lines on the form, and the instructions printed thereon or issued in respect thereto, and as required by this part, shall be furnished. Notices on Form 27-B must be signed in accordance with the instructions printed on the form and sworn to before an officer authorized to administer oaths: *Provided*, That if the form officially prescribed for such notice contains therein a provision for verification by a written declaration that such notice is made under the penalties of perjury, such notice shall be verified by the execution of such declaration, and such declaration so executed shall be in lieu of the oath required herein for verification. Such notices must be numbered serially commencing with number 1 and continuing in regular sequence for all notices thereafter filed, whether amended or supplemental. All data, written statements, affidavits, and other documents submitted in support of the

notice shall be deemed to be a part thereof.

(Secs. 2812, 3170, 3509, I. R. C.)

§ 190.156 *Federal Alcohol Administration Act permit.* Under the Federal Alcohol Administration Act and the regulations issued pursuant thereto (27 CFR, Part 1), any person, except an agency of a State or political subdivision thereof, or any officer or employee of any such agency, intending to engage in the business of rectifying distilled spirits and wines, is required to procure a permit therefor. The trade names or styles under which it is intended to conduct the business must be specified in the permit. Application for such permit should be filed with the district supervisor at the time of filing notice, Form 27-B.

(Sec. 3, 49 Stat., 978; 27 U. S. C. 203)

§ 190.157 *Distance from distillery or vinegar plant.* If the rectifying plant premises are situated more than 600 feet in a direct line from any premises authorized to be used for distilling spirits, or from a vinegar factory using the vaporizing process, such fact shall be stated on Form 27-B. If the distance between the rectifying plant premises and the premises of a distillery is less than 600 feet in a direct line, there must be stated in the notice, Form 27-B, the name of the proprietor of the distillery, the exact distance in feet and inches between the rectifying plant and distillery, and whether the location of the rectifying plant within such distance of the distillery has been approved by the district supervisor. If such location of the rectifying plant has been approved by the district supervisor, the date of such approval shall be given. If the distance between the rectifying plant premises and a vinegar factory using the vaporizing process is less than 600 feet in a direct line, such fact shall be stated on the form, and also whether or not the vinegar factory was established and operated as such prior to March 1, 1879.

(Secs. 2812, 2819, 2834, 2835, 3170, I. R. C.)

DERIVATION: T. D. 5681.

§ 190.158 *Description of apparatus and equipment.* There must be described on Form 27-B, in the space provided therefor, all storage tanks, receiving tanks, processing tanks, bottling tanks, and stills, which shall be listed separately as to serial number and capacity in wine gallons. All other regular and permanent rectifying equipment, whether stationary or portable, must be described on Form 27-B.

(Sec. 2812, I. R. C.)

§ 190.159 *Description of rooms.* All rooms on the rectifying plant premises shall be accurately described on Form 27-B. The description shall include the designated name of the room, which shall be according to its use, such as receiving room, rectifying room, bottling room, and finished products room, the materials of which constructed, the dimensions thereof, the location of doors, windows and other openings and the manner in which they are secured and protected.

The materials of which partitions are constructed, and the height thereof, must also be stated. If more than one room is used for the same purpose, the name shall include an alphabetical designation to distinguish them, as "Receiving Room A," "Receiving Room B," etc.

(Sec. 2812, I. R. C.)

§ 190.160 *Liquors to be used and produced.* The kinds of liquors proposed to be used in rectification, and the kinds of liquors proposed to be produced by such rectification, must be stated on Form 27-B.

(Sec. 2812, I. R. C.)

§ 190.161 *Capacity.* The estimated maximum quantity, in wine gallons and proof gallons, of spirits or wines which can be rectified in every 24 hours by the use of all the apparatus and equipment in the rectifying plant, and the estimated quantity, in wine gallons and proofs gallons, of spirits and wines which will be rectified every 24 hours and the portion thereof for which exemption from the rectifying tax will be claimed, must be stated on Form 27-B.

(Sec. 2812, I. R. C.)

§ 190.162 *Amended and supplemental notices.* Amended and supplemental notices on Form 27-B may be executed in skeleton form, except as to the items amended or supplemented. All other items which are correctly set forth in prior notices, and in which there has been no change since the last preceding notice, may be incorporated in the amended or supplemental notice by reference to the respective notice previously filed. Such incorporation by reference shall be made by entering for each such item, in the space provided therefor, the statement "No change since filing Form 27-B, Serial No. _____" (the number being inserted), and the date of such form.

(Sec. 2812, I. R. C.)

§ 190.163 *Formulas and processes, Form 27-B Supplemental.* The rectifier must submit Form 27-B Supplemental, in quadruplicate, for each formula and process to be employed in the rectification of spirits or wines, which shall constitute a part of the notice, Form 27-B. The statement of formula and process shall be prepared in accordance with Subpart S.

(Sec. 2812, I. R. C.)

§ 190.164 *Corporate documents.* There must be submitted with, and made a part of, the original or initial notice on Form 27-B, given by a corporation to engage in the business of a rectifier, properly certified copies, in triplicate, of the following documents:

- Articles of incorporation and any amended articles of incorporation.
- Certificate of incorporation.
- Certificate authorizing corporation to operate in State where rectifying plant is located, if other than that in which incorporated.
- Extracts of minutes of meetings of stockholders, showing election of directors.
- By-laws.

(f) Extracts of the minutes of the meetings of the Board of Directors, showing the election of officers.

(g) Extracts of the minutes of meetings of the Board of Directors, authorizing certain officers or other persons to sign for the corporation.

(h) List of names and addresses of the officers and directors.

(i) List of stockholders, as provided in § 190.165.

(Sec. 2812, I. R. C.)

§ 190.165 *List of stockholders.* In the case of corporations and similar legal entities, there must be submitted with Form 27-B, at the commencement of business, and annually thereafter on May 1, a list of the names and addresses of all stockholders and other persons interested in the corporation or other legal entity and the amount and nature of the stock holding, or other interest of each, whether such interest appears in the name of the interested party or in the name of another for him: *Provided*, That where more than 100 persons are interested in the corporation or other legal entity as stockholders or otherwise, there need be furnished only the names and addresses and the amounts and nature of the stock holding or other interest of the 100 persons having the largest ownership or other interest in each of the respective classes of stock or other interest, except where more complete information shall be specifically required by the Commissioner or the district supervisor: *And provided further*, That where there has been no change in the stockholders and other persons interested in the corporation or other legal entity, or in the extent of the stock holding or other interest of such persons, the rectifier may furnish on May 1 of each year, a certified statement, in triplicate, to that effect in lieu of the prescribed list. Where a corporation operates two or more rectifying plants or other plants situated in the same supervisory district, or wholly owns one or more subsidiaries operating rectifying plants or other plants so situated, and in connection with qualifying for the operation of one of such rectifying plants or other establishments files a list of stockholders and other persons interested, as prescribed in this section, the filing of an additional list for each rectifying plant will not be required, provided that in lieu of such additional list there is submitted by such corporation a certificate, in triplicate, definitely identifying the corporation and plant with whose notice the list of stockholders and other persons interested is filed, and giving the date of the filing thereof.

(Sec. 2812, I. R. C.)

§ 190.166 *Affidavit.* In the case of a corporation, there must be submitted with each list of stockholders an affidavit, in triplicate, executed by an officer of the corporation authorized so to do, showing the number of shares of each class of stock or other evidence of ownership, such as voting trust certificates, authorized and outstanding, the par value thereof, and the voting rights of the respective owners or holders, and certifying to the correctness of the list of

stockholders or the statement authorized to be furnished in lieu of such list. In the case of an individual owner, copartnership, or association, there must be submitted with Form 27-B, at the commencement of business, and annually thereafter on May 1, an affidavit, in triplicate, giving the name of every person interested or to be interested in the rectifying plant, whether such interest appears in the name of the interested party or in the name of another for him.

(Sec. 2812, I. R. C.)

§ 190.167 *Articles of copartnership or association.* In the case of a copartnership or association, a certified copy, in triplicate, of the articles of copartnership or association, if any, shall be submitted with and constitute a part of the notice, Form 27-B.

(Sec. 2812, I. R. C.)

§ 190.168 *Trade name certificate.* Where the rectifier is to do business under a firm or trade name, there must be submitted with and made a part of the notice, Form 27-B, certified copies, in triplicate, of the certificate or other document filed with or issued by State officials under the laws of the State to cover the transaction of business under such firm or trade name. If no such certificate or other document is required by the laws of the State to be filed with or issued by State officials to cover the transaction of business under a firm or trade name, the rectifier shall furnish a statement, in triplicate, to that effect.

(Sec. 2812, I. R. C.)

§ 190.169 *Power of attorney, Form 1534.* If the notice or other qualifying documents are signed by an attorney in fact for an individual, copartnership, association, or corporation, or by one of the members for a copartnership or association, or, in the case of a corporation, by an officer or other person not authorized to sign by the corporate documents described in § 190.164, such notice or other qualifying documents must be supported by a duly authenticated copy of the power of attorney conferring authority upon the person signing the document to execute the same. Such powers of attorney shall be executed on Form 1534, in triplicate, and submitted to the district supervisor.

(Sec. 2812, I. R. C.)

§ 190.170 *Execution of power of attorney.* Where the principal giving the power of attorney is an individual, it must be executed by him in person, and not by an agent. In the case of a copartnership or association, powers of attorney authorizing one or more of the members, or another person, to execute documents on behalf of the copartnership or association must be executed by all of the members constituting the same. However, if one or more members less than the whole number constituting the copartnership or association have been delegated the authority to appoint agents or attorneys in fact, the power of attorney may be executed by such member or members, provided it is supported by a duly authenticated copy, in triplicate, of the document conferring authority upon the member or members to execute the

same. Where, in the case of a corporation, powers of attorney are executed by an officer thereof, such documents must be supported by triplicate copies of the authorization of such officer so to do, certified by the secretary or assistant secretary of the corporation under the corporate seal, if any, to be true copies. (Sec. 2812, I. R. C.)

§ 190.171 *Duration of power of attorney.* Powers of attorney authorizing the execution of documents on behalf of a person engaged in, or intending to engage in, the business of a rectifier shall continue in effect until written notice, in triplicate, of the revocation of such authority is received by the district supervisor, unless terminated by operation of law.

(Sec. 2812, I. R. C.)

§ 190.172 *Bond, Form 34.* Every person intending to commence the business of a rectifier shall, upon filing his notice of such intention, form 27-B, and before proceeding with such business, execute a bond on Form 34, in triplicate, in conformity with the provisions of Subpart K of this part, and file the same with the district supervisor.

§ 190.173 *Penal sum.* The penal sum of the rectifier's bond, Form 34, shall be not less than the amount of internal revenue tax that the rectifier will be liable to pay in a period of 30 days, but in no case shall the penal sum of the bond be less than \$1,000 or greater than \$100,000. Where the rectifier has not furnished bond in the maximum penal sum of \$100,000 and the rectification tax, including tax under section 3030 (a), I. R. C., on the quantity of spirits and wines actually rectified during any period of 30 days, exceeds the penal sum of the bond on file, he must furnish immediately a new or additional bond in a sufficient penal sum, effective as of the beginning of such period. If an additional bond is furnished, it must be in accordance with § 190.204.

§ 190.174 *Registry of stills, Form 26.* Every person having in his possession or custody, or under his control, any still or distilling apparatus set up must register the same with the supervisor for the district in which the still is located, on Form 26, immediately it is set up. The Form 26 shall be executed, in triplicate, in accordance with the headings of the various columns and lines on the form, and the instructions printed thereon or issued in respect thereto and as required by this part. Form 26 must be sworn to before an officer authorized to administer oaths: *Provided*, That if the form officially prescribed for such notice contains therein a provision for verification by a written declaration that such notice is made under penalties of perjury, such notice shall be verified by the execution of such declaration, and such declaration so executed shall be in lieu of the oath required herein for verification.

(Secs. 2810, 3170, 3809, I. R. C.)

§ 190.175 *Plat and plans.* Every person intending to engage in the business of a rectifier must submit to the district

supervisor with his notice, Form 27-B, an accurate plat of the rectifying plant premises and accurate plans of the buildings, apparatus and equipment thereon, in triplicate, conforming to the requirements of Subpart L of this part.

§ 190.176 *Additional information.* The Commissioner or the district supervisor may at any time, in his discretion, require the rectifier to furnish such additional information as he may deem necessary.

§ 190.177 *Instruments and papers.* The terms, conditions, and instructions contained in instruments and papers required to be furnished by law or this Part are hereby made a part of this part as fully and to the same extent as if incorporated in this part.

SUBPART K—BONDS AND CONSENTS OF SURETY

§ 190.185 *General requirements.* Every person required to file a bond or consent of surety under this part shall prepare and execute it on the prescribed form, in triplicate, in accordance with the lines on the form, and the instructions printed thereon or issued in respect thereto, and as required by this Part, and shall submit it to the district supervisor.

§ 190.186 *Surety or security.* Bonds required by this part shall be given with surety or collateral security.

(Sec. 1, 28 Stat. 279, 6 U. S. C. 6; sec. 1126, 44 Stat. 122, sec. 7, 49 Stat. 22, 6 U. S. C. 15)

§ 190.187 *Corporate surety.* Bonds may be given with corporate surety authorized by the Secretary of the Treasury to become surety on Federal bonds, subject to the limitations prescribed by the Secretary in Treasury Department Form 356, Commissioner of Accounts and Deposits, Section of Surety Bonds, which is issued semiannually, and subject to such amendatory circulars as may be issued from time to time.

(Sec. 1, 28 Stat. 279, 6 U. S. C. 6; c. 109, 36 Stat. 241, 6 U. S. C. 8)

§ 190.188 *Two or more corporate sureties.* A bond executed by two or more corporate sureties shall be the joint and several liability of the principal and the sureties: *Provided*, That each corporate surety may limit its liability in terms upon the face of the bond in a definite, specified amount, which amount shall not exceed the limitations prescribed for such corporate surety by the Secretary, as set forth in Treasury Department Form 356. When the sureties so limit their liability, the aggregate of such limited liabilities must equal the required penal sum of the bond.

(Sec. 1, 28 Stat. 279, 6 U. S. C. 6; c. 109, 36 Stat. 241, 6 U. S. C. 8)

§ 190.189 *Powers of attorney.* Powers of attorney and other evidence of appointment of agents and officers to execute bonds on behalf of corporate sureties are required to be filed with, and passed upon by, the Commissioner of Accounts and Deposits, Section of Surety Bonds, Treasury Department. Such powers and other evidence of appoint-

ment need not be filed with, or submitted to, district supervisors.

§ 190.190 Individual sureties. Bonds may be given with individual sureties, of which there must be not less than two, each of whom must qualify by executing Form 33, in triplicate. Individual sureties must be citizens of the United States and reside in the State in which the business of the principal is to be conducted. No person will be accepted as an individual surety in a State in which he is not authorized to become a surety.

§ 190.191 Ownership of real property. Each individual surety must own unencumbered real property, in fee simple, the appraised value of which, over and above any exemptions from execution allowed by the laws of the State, is equal to the penal sum of the bond. The amount of unencumbered real property which individual sureties are required to own must be located within the State where the business of the principal is to be conducted.

§ 190.192 Description of real property. The real property must be described in the surety's affidavit, Form 33, with all of the formalities required in conveyances of real estate by the laws of the State in which it is situated.

§ 190.193 Execution of Form 33. The surety's affidavit on Form 33 shall contain all of the information required by the various lines on the form, and the instructions printed thereon or issued in respect thereto, and as required by this part. The form shall be subscribed and sworn to before an officer duly authorized to administer oaths, and one copy thereof shall be attached to each copy of the bond to which it relates.

§ 190.194 Certificate of title. There must be submitted with the surety's affidavit, Form 33, a certificate of title, in triplicate, showing that the surety has a fee simple title, free of encumbrances, to the realty described in the form.

§ 190.195 Appraisal. There will also be submitted with Form 33 an appraisal, in triplicate, by two or more competent persons designated by the district supervisor for the purpose, showing separately the value of the land and buildings, and a full and clear statement of the method employed by them in determining their valuation. The appraisal shall be at the expense of the principal on the bond, unless it is made by Government officers.

§ 190.196 Investigation. The district supervisor must cause an investigation to be made of all the facts stated in the surety's affidavit on Form 33 and supporting documents.

§ 190.197 Requalification. The Commissioner or district supervisor may at any time, in his discretion, require the requalification of individual sureties on Form 33.

§ 190.198 Interest in business. The surety, whether individual or corporate, must have no interest whatever in the business covered by the bond.

§ 190.199 Deposit of collateral. Bonds or notes of the United States, or other obligations which are unconditionally

guaranteed as to both interest and principal by the United States, may be pledged and deposited by principals as collateral security in lieu of individual or corporate sureties. District supervisors on receiving such bonds or notes, or other obligations, pledged and deposited by principals as collateral security in lieu of surety, shall deposit such securities in accordance with Department Circular No. 154, revised (31 CFR Part 225).

(Sec. 1126, 44 Stat. 122, sec. 7, 49 Stat. 22; 6 U. S. C. 15)

§ 190.200 Consents of surety. Consents of surety to a change in the terms of a bond must be executed on Form 1533, in as many copies as are required of the bond which they affect, by the principal and all sureties with the same formality and proof of authority to execute as are required for the execution of bonds. Form 1533 will be used by obligors on collateral bonds as well as those on surety bonds. The Form 1533 must properly identify the bond affected thereby and state specifically and precisely what is covered by the extended terms thereof. If the surety is a corporation, the consent may be executed by an agent or attorney in fact duly authorized so to do by power of attorney filed by the surety with the appropriate district supervisor, or the consent may be executed by the home office officials of such corporate surety; except that in cases where the saving of time is an element, the consent may be executed by an agent or attorney in fact where the home office officials, by specific direction, order its execution. A copy of such specific direction should be attached to each copy of the consent.

§ 190.201 Approval required. No individual, firm, partnership, corporation, or association, intending to commence or to continue the business of a rectifier shall commence or continue such business until all bonds in respect of such business required by any provision of law have been approved.

(Sec. 2815 (c), I. R. C.)

§ 190.202 Authority to approve. District supervisors are authorized to approve all bonds and consents of surety required by this part.

(Secs. 2815 (c), 3179 (b), I. R. C.)

§ 190.203 Cause of disapproval. Bonds or consents of surety submitted by any individual, firm, partnership, corporation, or association, in respect to the business of a rectifier may be disapproved if the individual, firm, partnership, corporation, or association, giving the same, or owning, controlling, or actively participating in the management of such business of the individual, firm, partnership, corporation, or association, giving the same, shall have been previously convicted in a court of competent jurisdiction of any fraudulent noncompliance with any provision of any law of the United States, if such provision relates to internal revenue or customs taxation of distilled spirits, wines, or fermented malt liquors, or if such an offense shall have been compromised with the individual, firm, partnership, corporation, or association upon payment of penalties or

otherwise; any felony under a law of any State, Territory, or the District of Columbia, or the United States, prohibiting the manufacture, sale, importation, or transportation of distilled spirits, wines, fermented malt liquors, or other intoxicating liquor. The rectifier's bond, Form 34, may also be disapproved if the situation of the rectifying plant is such as would enable the rectifier to defraud the United States.

(Sec. 2815 (d), I. R. C.)

§ 190.204 Additional or strengthening bonds. In all cases where the penal sum of the bond on file and in effect is not sufficient, computed as prescribed by law and regulations, the principal may give an additional or strengthening bond in a sufficient penal sum, provided the surety thereon is the same as on the bond already on file and in effect; otherwise a new bond covering the entire liability will be required. Such additional or strengthening bonds, being filed to increase the bond liability of the principal and the surety, are in no sense substitute bonds, and the district supervisor will refuse to approve any additional or strengthening bond where any notation is made thereon intended, or which may be construed, as a release of any former bond, or as limiting the amount of either bond to less than its full penal sum. Additional or strengthening bonds must show the current date of execution and the effective date in the blank spaces provided therefor. Such bonds must have marked thereon, by the obligors at the time of execution, "Additional Bond," or "Strengthening Bond."

§ 190.205 New bond. A new bond may be required at any time in the discretion of the Commissioner or district supervisor. A new bond shall be required immediately in the case of the death or insolvency of an individual surety, or the insolvency of a corporate surety. Executors, administrators, assignees, receivers, trustees, or other persons acting in a fiduciary capacity, continuing or liquidating the business of the principal, must execute and file a new bond or obtain the consent of the surety or sureties on the existing bond or bonds. When, in the opinion of the Commissioner or the district supervisor, the interests of the Government demand it, or in any case where the security of the bond becomes impaired in whole or in part for any reason whatever, the principal will be required to give a new bond. Where a bond is found to be not acceptable, the principal shall be required to file immediately a new and satisfactory bond, or discontinue business forthwith.

§ 190.206 Superseding bond. Where a new bond is submitted by the principal to supersede a bond or bonds then in effect, and such superseding bond has been approved, notice of termination of the superseded bond may be issued as provided in Subpart Q. Superseding bonds must show the current date of execution and the date they are to be effective, and each such bond shall have marked thereon by the obligors at the time of execution, "Superseding Bond."

SUBPART L—PLATS AND PLANS

§ 190.215 *Plat and plans required.* Every person intending to engage in the business of a rectifier must, as provided in § 190.175, file an accurate plat and accurate plans of the rectifying plant premises, apparatus, and equipment, in triplicate, with the district supervisor.

§ 190.216 *Preparation.* Every plat and plan shall be drawn to scale, and each sheet thereof shall bear a distinctive title, enabling ready identification. The cardinal points of the compass must appear on each sheet except the elevational plans. The minimum scale of any plat will not be less than $\frac{1}{8}$ inch per foot. Each sheet of the original plat and plans shall be numbered, the first sheet being designated number 1, and the other sheets numbered in consecutive order. Plats and plans shall be submitted on sheets of tracing cloth, opaque cloth, or sensitized linen. The dimensions of plats and plans shall be 15 by 20 inches, outside measurement, with a clear margin of at least 1 inch on each side of the drawing, lettering, and writing. Plats and plans may be original drawings, or reproductions made by the "ditto process," or by blue- or brown-line lithoprint if such reproductions are clear and distinct.

DERIVATION: T. D. 5681.

§ 190.217 *Depiction of rectifying plant premises.* Plats must show the outer boundaries of the rectifying plant premises, in feet and inches, in a color contrasting with those used for other drawings on the plat, and must contain an accurate depiction of the building, or buildings, comprising the premises, and any driveway, public highway, or railroad right-of-way adjacent thereto or connecting therewith. The depiction of the premises shall agree with the description in the notice, Form 27-B. If the premises are separated by a public highway or railroad right-of-way, and the tracts of land comprising the premises, or parts thereof, abut on such highway or right-of-way opposite each other, the different tracts will be depicted separately, in feet and inches. If two or more buildings are to be used, the designated name of each shall be indicated, and all pipe lines or other connections, if any, between the same depicted. Where two or more buildings are used for the same purpose, the name of each such building shall include an alphabetical designation, beginning with "A", and they shall be so shown on the plat. All first floor exterior doors of each building on the premises will be shown on the plat. If the rectifying plant consists of a room or a floor of a building, an entire outline of the building, the precise location and dimensions of the room or floor, and the means of ingress and egress to a public street or yard shall be shown. Except as provided in § 190.226, all pipe lines leading to or from the premises, the purpose for which used, and the points of origin and termination will be indicated on the plat.

§ 190.218 *Distillery within 600 feet.* Where a rectifying plant is to be established on premises at a distance of less

than 600 feet in a direct line from a distillery, the plat must show the relative location of such premises, all pipe lines and other connections, if any, between them, and the distance, in feet and inches, that they are from each other in a direct line. The outlines of the two premises must be shown in contrasting colors.

§ 190.219 *Contiguous premises.* Where a distillery, internal revenue bonded warehouse, taxpaid bottling house, or other premises on which liquors are manufactured, stored, or sold, are contiguous to the rectifying plant premises, the plat must show the relative location of the rectifying plant and such contiguous premises, and all pipe lines, if any, and other connections between them. The outlines of such contiguous premises and the rectifying plant premises must also be shown in contrasting colors.

§ 190.220 *Floor plans.* The plans shall include a floor plan of each building, showing the general dimensions of the rooms and floors, and the location of all doors, windows, and other openings, and how such openings are protected. If a portion of a building is used, such as a room or floor, the floor plans will include only that portion, and shall also show the means of ingress and egress to the street. All apparatus and equipment, except pipe lines, must be shown in their exact location on the floor plans and their designated use indicated. Pipe lines may also be shown, if desired. In the case of stills, tanks, and similar equipment, the serial number and capacity shall also be shown.

DERIVATION: T. D. 5681.

§ 190.221 *Elevational flow diagrams.* Elevational flow diagrams (plans) shall be submitted which shall depict all equipment in its approximate operating sequence and elevation by floors, with all connecting pipe lines, valves, flanges, measuring devices, and attachments for Government locks. The elevation by floors on the diagrams may be indicated by horizontal lines representing floor levels. All major equipment, such as stills and tanks, must be identified on the plans as to number and use. The elevational flow diagram must be so drawn that all fixed pipe lines, except those indicated by § 190.226, may be readily traced from beginning to end. Other types of drawings that clearly depict the information required by this section may be submitted in compliance with this section.

§ 190.222 *Pipe lines.* The plans shall show pipe lines, if any, connecting the rectifying plant with a registered or fruit distillery, internal revenue bonded warehouse, industrial alcohol plant, industrial alcohol bonded warehouse, bonded winery, rectifying plant, and tax-paid bottling house for the transfer of taxpaid spirits. The plans will show the relative location of the rectifying plant and the premises connected by such pipe lines and also the storage, bottling, or processing tanks, to which such pipe lines are connected.

(Sec. 2883, I. R. C.)

§ 190.223 *Pipe lines in colors.* The fixed pipe lines must be shown on the plans in the colors in which they are required to be painted, as follows:

Black.....	Spirits.
Blue.....	Vapor, high wines, low wines, and heads and tails.
Brown.....	Residue from stills.
White.....	Water.
Aluminum...	Steam.
Orange.....	Air.
Purple.....	Refrigerants.

§ 190.224 *Location of valves, flanges, locks, etc.* All valves, flanges, and other connections in pipe lines must be properly indicated on the plans: *Provided*, That where flanges, unions, or other connections in pipe lines are brazed, welded, or otherwise permanently secured in such a manner as to constitute a continuous, single pipe line, the location of such flanges, unions, or other connections, and the manner of securing the same, need not be shown on the plans. The location of all Government locks required to secure the apparatus and equipment, and the doors of rooms, must be indicated on the plans by the symbol "GL" at the points where the locks are to be attached.

§ 190.225 *Direction of flow.* The direction of the flow of spirits, vapor, etc., through pipe lines must be indicated on the plans by arrows.

§ 190.226 *Pipe lines exempted.* Approved public or private utility service lines, such as sewers, electric or gas conduits or pipes, and approved sprinkler, refrigeration, or heating systems which have no connection with the equipment used for spirits, need not be shown on the plans, provided that the point of entry to the premises shall be indicated on the plans.

§ 190.227 *Certificate of accuracy.* The plat and plans shall bear a certificate of accuracy in the lower right hand corner of each sheet, signed by the rectifier, the draftsman, and the district supervisor, substantially in the following form:

(Name of proprietor)

(Address)

Approved -----
(Date)

(District supervisor)
Accuracy certified by:

(Name and capacity--
for the proprietor)

(Draftsman)
Rectifying Plant No. -----
----- 19 -----, Sheet No. -----
(Date)

DERIVATION: T. D. 5681.

§ 190.228 *Revised plats and plans.* The sheets of revised plats and plans shall bear the same number as the sheets superseded, but will be given a new date. Any additional plats and plans shall be given a new number in consecutive order, or will be otherwise numbered and lettered in such manner as will permit the filing of the plats and plans in proper sequence.

DERIVATION: T. D. 5681.

SUBPART M—REQUIREMENTS GOVERNING CHANGES IN NAME, PROPRIETORSHIP, CONTROL, LOCATION, PREMISES, AND EQUIPMENT

§ 190.240 *General requirement.* Under the law, notice in writing must be given, in the form prescribed by the Commissioner, to the district supervisor in case of any change in the location, form, capacity, ownership, agency, superintendency, or in the persons interested in the business of the rectifying plant.

(Secs. 2812, 3170, I. R. C.)

CHANGE IN INDIVIDUAL, FIRM, OR CORPORATE NAME

§ 190.241 *Amended notice, Form 27-B.* Where there is a change in the individual, firm, or corporate name of the rectifier, he must submit to the district supervisor an amended notice on Form 27-B, in triplicate, covering the new name.

(Secs. 2812, 2831, 2857, 2861, 3170, 3270, I. R. C.)

DERIVATION: T. D. 5004.

§ 190.242 *Amended permit.* Where there is a change in the individual, firm, or corporate name of the rectifier, he must procure from the district supervisor under the Federal Alcohol Administration Act an amended basic permit or permits authorizing the rectifier to engage in business under the new name.

(Secs. 2812, 2831, 2857, 2861, 3170, 3270, I. R. C.)

DERIVATION: T. D. 5004.

§ 190.243. *Amended articles of incorporation, etc.* Where there is a change in the corporate name of the rectifier, he must submit to the district supervisor certified copies, in triplicate, of the amended articles of incorporation, and the amended certificate of incorporation issued under the laws of the State in which incorporated, covering the change in the corporate name. If the operations are conducted in a State other than the State in which incorporated, there must also be submitted to the district supervisor certified copies, in triplicate, of the amended certificate issued under the laws of the State in which the operations are conducted authorizing the corporation to operate under its new name in such State. If other documents than those specified are required under the laws of the State to effect a change in the name of the corporation, certified copies, in triplicate, of such documents must be submitted with the notice, Form 27-B, in lieu of those specified.

(Secs. 2812, 2831, 2857, 2861, 3170, 3270, I. R. C.)

§ 190.244 *Amended articles of copartnership or association.* Where there is a change in the firm name of the rectifier, he must, if the rectifier is a copartnership or association, submit to the district supervisor certified copies, in triplicate, of the amended articles of copartnership or association, if any.

(Secs. 2812, 2831, 2857, 2861, 3170, 3270, I. R. C.)

§ 190.245 *Sign.* Where there is a change in the individual, firm, or corporate name of the rectifier, he must

change the rectifying plant sign to conform to the provisions of § 190.110.

(Secs. 2812, 2831, 2857, 2861, 3170, 3270, I. R. C.)

§ 190.246 *Branding, labeling, etc.* Where there is a change in the individual, firm, or corporate name of the rectifier, he must, upon receipt of the district supervisor's authorization, as provided in § 190.316, mark, brand, and label, under such new name the spirits packaged or bottled thereunder, as provided in Subpart NN of this part, unless the spirits are rectified under a trade name or style as provided in the said subpart.

(Secs. 2812, 2831, 2857, 2861, 3170, 3270, I. R. C.)

§ 190.247 *Records.* Where there is a change in the individual, firm, or corporate name of the rectifier, he must keep records and submit reports covering operations under the new name as provided in Subpart NN of this part.

(Secs. 2812, 2831, 2857, 2861, 3170, 3270, I. R. C.)

§ 190.248 *Special tax stamps.* Where there is a change in the individual, firm, or corporate name of the rectifier, he must file within 30 days of such change an additional return on Form 11 with the collector of internal revenue covering the new individual, firm, or corporate name. The special tax stamp or stamps must be forwarded to the collector for appropriate notation with respect to such change in name.

(Secs. 2812, 2831, 2857, 2861, 3170, 3270, I. R. C.)

TRADE NAMES

§ 190.249 *Basic qualification required.* Where the rectifying plant is to be operated under a trade name or style, or under a number of trade names or styles, other than those previously approved, the rectifier must file with the district supervisor a letterhead application for approval of such name or names. The district supervisor will forward such application to the Bureau for action by the Commissioner. If the Commissioner finds that the name or names may be used he will advise the district supervisor. The rectifier will be advised accordingly. He may then file with the district supervisor Form 27-B for permission to operate under the trade name (only one) specifying the date operations are to begin. The district supervisor's action will be in accordance with § 190.316.

(Secs. 2812, 3170, I. R. C.)

§ 190.250 *Trade names certificates, amended articles of incorporation, etc.* It will be the responsibility of the rectifier to comply with all State laws by filing certified copies of trade names and amended articles of incorporation where required. If no such certificate or amended articles of incorporation are required, the rectifier will furnish a statement to that effect.

(Sec. 3170, I. R. C.)

§ 190.251 *Sign.* The rectifying plant sign must be changed to conform to the provisions of § 190.110, unless operation under the trade name is to be temporary,

in which event it will not be necessary to change such sign.

(Secs. 2831, 3170, I. R. C.)

§ 190.252 *Branding, marking, and labeling.* The spirits must be branded, marked, and labeled under each trade name in which the spirits were packaged or bottled as provided in Subpart NN of this part.

(Secs. 2861, 3170, I. R. C.)

§ 190.253 *Records.* Appropriate entries must be made in the rectifying plant records covering operations under each trade name, as provided in Subpart NN of this part.

(Secs. 2857, 3170, I. R. C.)

§ 190.254 *Special tax stamps.* The rectifier must file within 30 days of such change an additional return on Form 11 with the collector showing the new trade name or style. Special tax stamp or stamps must be forwarded to the collector for appropriate notation with respect to such change in trade name or styles.

(Secs. 3170, 3270, I. R. C.)

§ 190.255 *Period of operations.* Where the rectifying plant is operated under more than one trade name or style, the operation under each must be in multiples of twenty-four hours.

(Sec. 3170, I. R. C.)

§ 190.256 *Subsequent operations.* The basic qualifying documents having once been filed and approved, by the district supervisor, subsequent operations of the rectifying plant, i. e., changing from one trade name to another trade name, or from a trade name to the principal or vice versa, the procedure prescribed by § 190.290 will be followed.

(Sec. 3170, I. R. C.)

CHANGE IN PROPRIETORSHIP, SUSPENSION

§ 190.257 *Notice, Form 27-B.* If the outgoing rectifier is to discontinue permanently the business of rectifying, he must file with the district supervisor Form 27-B, in triplicate, stating thereon the purpose to be "Permanent discontinuance of business," and giving the date of the discontinuance. If the outgoing rectifier is to temporarily discontinue the business of rectifying during operation of the rectifying plant by the successor, the statement of the purpose on the notice shall conform to the provisions of § 190.290.

(Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

§ 190.258 *Spirits.* Where there is to be a change in the proprietorship of the rectifying plant, the outgoing rectifier must, preparatory to transfer of the business to the successor, complete the rectification of spirits in process and taxpay the same, draw off, mark, brand, and stamp (where required) all rectified and unrectified spirits in the rectifying room, and remove all spirits from the rectifying plant and dispose of the same to a person authorized to receive them, unless they are transferred to the successor in accordance with Subpart OO of this part.

(Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

§ 190.259 *Records.* Where there is to be a change in the proprietorship of the rectifying plant, the outgoing rectifier must, preparatory to transfer of the business to the successor, make appropriate entries in the rectifying plant records and submit reports in accordance with the provisions of Subpart 00 of this part. (Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

CHANGE IN PROPRIETORSHIP, QUALIFICATION OF SUCCESSOR

§ 190.260 *Lessee.* If the successor is a lessee, he must qualify in the same manner as the proprietor of a new rectifying plant, regardless of the temporary nature of the tenancy, except that he may adopt the plat and plans of his predecessor as provided in § 190.264. The lessee must also file with the district supervisor certified copies, in triplicate, of the lease.

(Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

§ 190.261 *Other nonfiduciary successor.* If the change in proprietorship is brought about by any other means, except by the appointment of an administrator, executor, receiver, trustee, assignee, or other fiduciary, the successor must likewise qualify in the same manner as the proprietor of a new rectifying plant, except that he may adopt the plat and plans of his predecessor as provided in § 190.264.

(Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

§ 190.262 *Fiduciary.* If the successor is an administrator, executor, receiver, trustee, assignee, or other fiduciary, and intends to receive spirits, or to possess, rectify, or dispose of spirits on hand in the rectifying plant, he must comply with the provisions of Subparts F-J of this part, to the extent that such provisions are applicable, except that in lieu of filing a new bond and a new plat and plans, the fiduciary may furnish a consent of surety extending the terms of his predecessor's bond and adopt the plat and plans of such predecessor in accordance with §§ 190.263-190.264. The fiduciary must also furnish certified copies, in triplicate, of the order of the court or other pertinent documents showing his qualification as such fiduciary. The effective date of the qualifying documents filed by a fiduciary must be the same as the date of the court order or the date specified therein for him to assume control.

(Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

§ 190.263 *Consent of surety.* The consent of surety extending the terms of the predecessor's bond to cover operation of the rectifying plant by a fiduciary must conform to the requirements of § 190.200 and be executed by both the fiduciary and the surety.

(Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

§ 190.264 *Adoption of plat and plans.* The plat and plans of the rectifying plant may be adopted by a successor where they correctly describe and depict the rectifying plant premises and the build-

ings, apparatus, and equipment thereon, to be taken over by the successor. The adoption by a successor of the plat and plans of his predecessor shall be in the form of a certificate, in triplicate, in which shall be set forth the name of the predecessor, the address and number of the rectifying plant, a description of the rectifying plant premises, the number of each sheet comprising each plat and plan covered by such certificate, and a statement that the rectifying plant premises, and the buildings, apparatus, and equipment thereon, are correctly described and depicted on such plat and plans.

(Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

§ 190.265 *Sign.* The successor, if other than a fiduciary temporarily operating the rectifying plant, must change the rectifying plant sign to conform to the requirements of § 190.110.

(Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

§ 190.266 *Special tax stamps.* The successor, if other than a fiduciary, must procure the required special tax stamps in accordance with Subpart T. A fiduciary successor must submit Form 11 to the collector within 30 days from the date when operations are commenced by him. The special tax stamp or stamps should be submitted by the fiduciary to the collector for appropriate notation as to their transfer. Failure to file Form 11 will result in the rectifier incurring an additional special-tax liability, computed from the first day of the calendar month in which operations were commenced.

(Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

§ 190.267 *Spirits and wines.* If spirits and wines are received by transfer from the predecessor, the successor must comply with the requirements of Subpart 00 of this part.

(Secs. 2810, 2812, 2831, 2857, 2861, 3170, 3271, I. R. C.)

OTHER CHANGES

§ 190.268 *Changes in partnership.* The withdrawal of one or more members of a partnership or the taking in of a new partner, whether active or silent, shall constitute a change in proprietorship. Likewise, the bankruptcy or adjudicated insolvency of one or more of the partners results in a dissolution of the partnership and, consequently, a change in proprietorship. Where such a change in proprietorship of the rectifying plant occurs, the successor must qualify in the same manner as a new proprietor of the rectifying plant, except that the successor may adopt the plat and plans of the predecessor, in the manner prescribed by § 190.264.

§ 190.269 *Changes in stockholders, officers, and directors of corporation.* The sale or transfer of the capital stock of a corporation operating a rectifying plant does not constitute a change in the proprietorship of the rectifying plant. However, where the sale or transfer of capital stock results in a change in the control or management of the business, or where there is a change in

the officers or directors, the rectifier must give notice thereof, in triplicate, to the district supervisor within 24 hours after such change. Mere changes in stockholders of corporations not constituting a change in control need not be so reported. The district supervisor must, in the case of changes in officers or directors, be furnished extracts, in triplicate, of the minutes of the meetings showing such changes.

(Sec. 2812, I. R. C.)

§ 190.270 *Reincorporation.* Where a corporation operating a rectifying plant is reorganized and a new charter or certificate of incorporation is secured, the new corporation must qualify in the same manner as a new proprietor of the rectifying plant, except that the new corporation may adopt the plat and plans of the predecessor, in the manner prescribed by § 190.264.

§ 190.271 *Change in location.* Where there is a change in the location of the rectifying plant, the rectifier must comply with all applicable provisions of Subparts F-J of this part, except that in lieu of the filing of a new rectifier's bond, Form 34, the rectifier may furnish a consent of surety, Form 1533, in accordance with § 190.200, extending the terms of the rectifier's bond given for the former location to cover operation of the rectifying plant at the new location. The rectifier must submit, within 30 days from the date of commencing business at the new location, Form 11 to the collector for the district, and the special tax stamp or stamps must be forwarded to such collector for appropriate notation of the change of location. Failure to so file Form 11 will result in the rectifier incurring additional special tax liability, computed from the first day of the calendar month in which operations were commenced at the new location.

(Secs. 2812, 3280, I. R. C.)

§ 190.272 *Changes in premises.* Where the rectifying plant premises are to be extended or curtailed, the rectifier must file with the district supervisor an amended notice, Form 27-B, and an amended plat of the premises as extended or curtailed. If the plans are affected by the extension or curtailment, they must also be amended. If the rectifying plant is within 600 feet of a distillery, the rectifier must also file a special application in accordance with § 190.82 or § 190.83, if the changes are of such nature or extent as to require a special application. The additional premises covered by an extension may not be used for rectifying purposes, and the portion of the premises to be excluded by a curtailment may not be used for other than rectifying purposes, prior to approval of the notice, Form 27-B.

(Sec. 3170, I. R. C.)

DERIVATION: T. D. 5631.

§ 190.273 *Changes in construction and use.* Where a change is to be made in the construction of a room or building not involving an extension or curtailment of the rectifying plant premises, or where a change is to be made in the use of any portion of such premises, the rec-

rectifier must file an amended notice, Form 27-B, and amended plans.

(Sec. 2812, I. R. C.)

§ 190.274 Changes in equipment. Where changes are to be made in the apparatus and equipment, the rectifier must file an amended notice and amended plans, except that in the case of minor changes, such as general repairs, changes in pipe lines, or the addition or removal of a tank, an amended notice and amended plans need not be filed immediately: *Provided*, That the Commissioner or district supervisor may at any time, in his discretion, require the filing of an amended notice and amended plans covering such minor changes. Where an amended notice and amended plans are not filed immediately upon completion or minor changes in equipment, the rectifier must promptly give the district supervisor written notice thereof, in duplicate, and include such changes in the next amended notice and plans filed by him. Where changes are to be made in storage tanks or in bottling tanks or in pipe lines leading from bottling tanks, the rectifier must, prior to making the changes, secure approval thereof from the district supervisor, pursuant to application, in triplicate, setting forth specifically the proposed changes.

(Secs. 2812, 2829, I. R. C.)

SUBPART N—REQUIREMENTS GOVERNING OPERATION OF RECTIFYING PLANT UNDER ALTERNATING PROPRIETORSHIPS

§ 190.290 Qualifications. Where it is desired to operate a rectifying plant under alternating proprietorships, the successor (lessee) rectifier must qualify as proprietor of the rectifying plant in accordance with the provisions of §§ 190.260-190.267. At the time of the first suspension of the rectifying plant for operation under an alternating proprietorship, the outgoing (lessor) rectifier must discontinue operations and file with the district supervisor an amended notice on Form 27-B, in triplicate, stating thereon the purpose of the notice to be "Temporary discontinuance in order that the rectifying plant may be operated by an alternate rectifier" and give the date of discontinuance. The outgoing (lessor) rectifier shall also file a blanket consent of surety, Form 1533, in triplicate, to continue in effect bond, Form 34. Such blanket consent of surety may be filed to cover all such alternate operations and may be executed in the following form:

To continue in effect the said bond, whenever operation of the rectifying plant is resumed from time to time, pursuant to application on Form 1696, filed by the principal following suspension of operations by an alternate proprietor.

The outgoing (lessor) rectifier shall also comply with the requirements of Subpart OO of this part.

§ 190.291 Suspension and subsequent alternate proprietorships. Where an alternate proprietor desires to suspend operations of the rectifying plant preparatory to resumption by another alternate proprietor, he must file Form 1696, after proper execution of Parts 1 and 2, through the storekeeper-gauger in

charge, with the district supervisor, giving notice of intention to suspend operations. Two originals and six copies of the form shall be executed and filed in accordance with the various lines on the form and the instructions printed thereon or issued in respect thereto, and as required by this part. Form 1696 shall contain or be verified by a written declaration that it is executed under the penalties of perjury. Operations may be suspended upon approval of the notice by the district supervisor in accordance with § 190.293. The outgoing (lessor) rectifier shall also comply with the requirements of Subpart OO of this part.

(Sec. 3809, I. R. C.)

§ 190.292 Resumption for subsequent alternate proprietorships. Where an alternate proprietor desires to resume operation of the rectifying plant following suspension by another alternate proprietor, he must file Form 1696, after proper execution of Parts 1 and 2, through the storekeeper-gauger in charge, with the district supervisor for authority to resume operations. The notice shall be executed and otherwise completed as provided in § 190.291. The outgoing (lessor) rectifier shall also comply with the requirements of Subpart OO of this part.

§ 190.293 Approval and disposition of Form 1696. Upon receipt of Form 1696, the district supervisor will, if he finds that the notice may be properly approved, execute the certificate of approval on all copies. He will return four copies to the storekeeper-gauger in charge, forward the two original copies to the Commissioner and retain two copies for his file. The storekeeper-gauger will retain two copies for his file, and deliver a copy to each proprietor.

SUBPART O—ACTION BY DISTRICT SUPERVISOR

ORIGINAL ESTABLISHMENT

§ 190.300 Special application. Where a special application for permission to operate a rectifying plant within 600 feet of a distillery is submitted by the rectifier and such special application conforms to the requirements of this part, the district supervisor will cause an inspection to be made to determine whether the proposed operation of the rectifying plant within 600 feet of the distillery may be permitted without jeopardy to the revenue. The inspector will ascertain whether the application accurately describes the relative location of the two premises and all pipe lines and other connections, if any, between such premises. The inspector will also observe the surroundings, including all streets, roads, and driveways connecting the two premises, and any condition which might endanger the revenue, and will describe the same in his report. If the district supervisor finds, upon consideration of the inspection report, that the rectifying plant may be operated at the designated location without danger to the revenue, he will note his approval on all copies of the special application. He will then return one copy of the approved application to the applicant, retain the original for his files, and

forward the remaining copy, together with a copy of the inspection report, to the Commissioner. Approval of the special application pertains to the location of the rectifying plant only, and does not authorize the operation thereof. The rectifying plant may not be operated until the rectifier's bond and other qualifying documents required by law and this part have been filed and approved. If the special application is disapproved, the district supervisor will note his disapproval thereon and will return all copies of such application to the applicant, with advice as to the reasons for disapproval.

(Secs. 2819, 2832, 3170, I. R. C.)

§ 190.301 Examination of other qualifying documents. Upon receipt of the notice, plat, plans, bond, and other documents required by this part of persons intending to qualify as rectifiers, the district supervisor will examine the same to determine whether they have been properly executed, and whether they reflect compliance with the requirements of the law and this part. Where any required document has not been filed, or where errors or discrepancies are found in those filed, or where the documents filed do not reflect compliance with this part, action thereon will be held in abeyance until the omission, or error or discrepancy, has been rectified, and there has been full compliance with all requirements.

DERIVATION: T. D. 5004.

§ 190.302 Inspection of premises and equipment. When the required documents have been filed in proper form, the district supervisor will assign an inspector to examine the premises, buildings, apparatus and equipment, and determine whether they conform with the description thereof in the notice, plat and plans, and whether the construction and measures of protection afforded meet the requirements of law and this part. Where the inspection discloses minor irregularities in the qualifying documents or in the construction, the inspector will, at the time of their discovery, direct the attention of the rectifier to the same in order that the rectifier may correct the defects before completion of the inspection.

§ 190.303 Examination of bottling tank. The district supervisor will cause a careful examination to be made of each bottling tank to see that it is constructed in strict compliance with this part before it is used by the rectifier. The officer charged with the duty of examining the bottling tank will also test the accuracy of the scale or measuring device provided for determining the contents of the tank, and if it is found that the same is not strictly accurate, or if any portion of the equipment does not conform to the requirements of this part, he will not recommend approval of the tank until the proper changes are made.

§ 190.304 Test of measuring devices. The test of the accuracy of the scale or measuring device must be an actual one. It may be made by filling the tank with water and drawing off several precise quantities, observing after each with-

drawal that the quantity remaining is correctly indicated by the scale or measuring device and that the quantity withdrawn agrees with that indicated by the scale or measuring device. An accurate water meter, where available, may likewise be used to check the calibration of the tank. Where bottling tanks are mounted on scales, the accuracy of the scales used for weighing spirits in lots of not over 500 gallons will be tested from time to time, under the supervision of the Government officer, by means of the test weights provided in accordance with § 190.117. The scales will be tested by placing the test weights on the scales and checking the weight registered on the beam of the scales. The test weights will then be removed without disturbing the beam and the bottling tank filled with spirits or water to the same weight, whereupon the test weights will again be placed upon the scales, the spirits or water being retained in the tank and the weight registered on the beam checked. This operation will be continued until the scales have been checked in 500-pound notches at all weights at which the scales are used. The proprietor will have scales used for weighing spirits in lots of 500 gallons or more tested and their accuracy certified by State, county, or city departments of weights and measures at intervals of not more than six months. The storekeeper-gauger will not permit the use of any scales not so tested or which upon testing are found to be inaccurate.

§ 190.305 *Necessity for accuracy.* It is absolutely necessary that the scale or measuring device used for determining the contents of a bottling tank be accurate and precise, for ascertainment of the correct amount of tax due on taxable products to be bottled therefrom is dependent thereon. The district supervisor should, after the initial test is made, require further tests from time to time to determine whether the scale or measuring device is still accurate.

§ 190.306 *Approval of bottling tank.* When the officer examining the bottling tank or tanks is satisfied that the same and the attachments thereto are properly constructed and the scales or measuring devices are accurate he will so report to the district supervisor in writing and will securely attach to each such tank a certificate on Form 244. No tank or attachment thereto shall be used until such certificate has been attached and the tank and attachment thereto have been approved.

§ 190.307 *Report of inspection.* Upon completion of the inspection, a report thereof will be submitted to the district supervisor. The report shall describe separately all irregularities and discrepancies found during the course of the inspection, and shall include a complete statement describing all unusual or special conditions. Where irregularities were corrected during the inspection, the report will indicate the corrections so made. The report need not set out in detail each description as set forth in the notice, plat and plans. The description of buildings, rooms, and equipment in the report should be general and brief. However, construction, equipment, signs,

etc., which are not in conformity with law and this part, will be completely described. If there are any pipe lines or other connections or openings between the rectifying plant premises and other premises, the same shall be described in detail. The report will also show whether the bottling tanks are constructed in accordance with this part and whether the measuring devices provided for determining the contents of such tanks have been tested and found to be accurate and certificate on Form 244 attached to each such tank. There shall be further embodied in the report a statement as to whether or not another business is being conducted, or is intended to be conducted, on the rectifying plant premises or in the buildings or rooms thereon.

§ 190.308 *Inaccurate documents.* Where the district supervisor's examination, or the inspector's report, discloses discrepancies in the qualifying documents, the inaccurate or incomplete documents will be returned to the proprietor for correction. A record will be kept of all bonds so returned.

§ 190.309 *Defective construction.* Where it is found that the construction of the rectifying plant or its equipment does not conform to the requirements of the law and this part, the district supervisor will inform the proprietor concerning the defects, and further action will be held in abeyance pending correction thereof.

§ 190.310 *Law violation record.* Before approving any bond or consent of surety given by any individual, firm, partnership, corporation, or association, in respect to the business of rectifiers, the district supervisor will cause such inquiry or investigation as may be deemed necessary to ascertain whether any individual, firm, partnership, corporation, or association, or any person owning, controlling, or actively participating in the management of the business has been convicted of, or has compromised, an offense of the nature specified in § 190.203. Where record is found of the conviction or compromise of such an offense, the district supervisor will approve or disapprove the bond or consent upon the basis of his findings: *Provided*, That if the bond or consent is disapproved, the principal may appeal the district supervisor's action to the Commissioner. Where an appeal is taken to the Commissioner, the district supervisor will furnish the Commissioner with full information respecting the reasons for disapproval, including the nature and place of the offense, the names of the offenders and the date of conviction or acceptance of an offer in compromise.

(Sec. 2815 (d), I. R. C.)

§ 190.311 *Approval of qualifying documents.* If the district supervisor finds, upon examination of the inspection report, that the person seeking to qualify as a rectifier has complied in all respects with the requirements of the law and this part, and if the rectifier's bond (Form 34) may be properly approved under § 190.310, and if the applicant is entitled to a permit, he will assign a registry number to the rectifying plant

in accordance with § 190.312, note his approval on all copies of the rectifier's bond, consent, notice and plat and plans, and dispose of the qualifying documents and inspectors' reports in accordance with § 190.314. The issuance of a permit should be withheld pending approval of the notice, bond, and other qualifying documents required under the internal revenue laws.

(Sec. 2815 (c) (d), I. R. C.)

§ 190.312 *Registry numbers.* Rectifying plants will be numbered serially in the order of their establishment. A separate series will be used for each State. Registry numbers heretofore assigned will be retained, and new rectifying plants will be assigned numbers in sequence thereto. Registry numbers previously assigned to discontinued rectifying plants will not be reassigned to other rectifying plants. The same registry number will be continued whenever there is a change in proprietorship.

§ 190.313 *Disapproval of qualifying documents.* If the district supervisor finds that the applicant has not complied in all respects with the requirements of the law and this part, or that the situation of the rectifying plant is such as would enable the rectifier to defraud the United States, or that the bond should be disapproved under § 190.310, he will note his disapproval on the notice, and will dispose of all qualifying documents in accordance with § 190.314.

(Sec. 2815 (c) (d), I. R. C.)

§ 190.314 *Disposition of qualifying documents.* Where the district supervisor approves the qualifying documents, he will forward to the applicant one copy of the documents with the original of the basic permit issued under the Federal Alcohol Administration Act (27 CFR, Part 1), forward to the Commissioner the originals of the documents and a copy of the basic permit issued under the Federal Alcohol Administration Act, together with copies of inspection reports, and retain one copy of the qualifying documents for the file of the applicant. If the qualifying documents are disapproved, the district supervisor shall note his disapproval on all copies of the notice with brief statements of his reasons therefor, and return to the applicant by registered mail, one copy of the disapproved notice, together with all copies of the qualifying documents and all copies of the bond without action thereon. The district supervisor shall forward one copy of the disapproved notice to the Commissioner and will advise him fully respecting the disapproval thereof. He shall retain the remaining papers in his files. If the applicant is not entitled to a basic permit, the district supervisor will, upon disapproval of the application therefor, return all copies of the qualifying documents to the applicant without action thereon.

§ 190.315 *Notification of collector.* Upon approval of the notice, plat and plans, bond and other qualifying documents, the district supervisor will notify the collector of the district in which the

premises are located, on Form 1411 or otherwise, to insure the payment of special taxes as required by this part. Collectors will not issue special tax stamps to rectifiers until such notice has been received from the district supervisor.

CHANGES SUBSEQUENT TO ORIGINAL ESTABLISHMENT

§ 190.316 *Procedure applicable.* The provisions of §§ 190.311-190.315 respecting the action required of district supervisors in connection with the original establishment of rectifying plants will be followed, to the extent applicable, where there is a change in the individual, firm or corporate name of the rectifier, or the trade name or style, proprietorship, location, premises, construction, apparatus and equipment of the rectifying plant, or where operations are permanently discontinued.

§ 190.317 *Applications and reports covering changes.* Where an application covering changes in rectifying plant buildings or rooms, or in the apparatus or equipment, is approved by the district supervisor, he will retain one copy of the application, forward one copy to the rectifier and one copy to the Commissioner, and, when reports covering minor changes in rectifying apparatus and equipment are received from the rectifier in accordance with § 190.274, he will retain one copy and promptly forward one copy to the Commissioner.

ADDITIONAL AND SUPERSEDING BONDS, AND CONSENTS OF SURETY

§ 190.318 *Procedure applicable.* The procedure prescribed in this subpart for the approval of bonds and consents of surety submitted in connection with the establishment of rectifying plants will, to the extent applicable, govern the approval and disapproval of additional and superseding bonds, and consents of surety.

SUBPART P—ACTION BY COMMISSIONER ORIGINAL ESTABLISHMENT

§ 190.325 *Review of documents.* The Commissioner will review the action of the district supervisor relating to the establishment of rectifying plants and determine whether it is in conformity with the requirements of the law and this part. If not, the Commissioner will advise the district supervisor as to the necessary action to be taken.

(Sec. 2815 (c) (d), I. R. C.)

CHANGES SUBSEQUENT TO ORIGINAL ESTABLISHMENT

§ 190.326 *Procedure applicable.* The foregoing provisions of this subpart respecting the action of the Commissioner in connection with the establishment of rectifying plants will be followed, to the extent applicable, where there is a change in the name, or in the firm name, trade name or style, or in the proprietorship, location, premises, construction, apparatus and equipment.

SUBPART Q—TERMINATION OF BONDS

§ 190.330 *Termination of rectifier's bond.* The rectifier's bond, Form 34, is a continuing bond and, therefore, continues in effect for an indefinite period,

unless terminated. Such bonds may be terminated as to future rectification pursuant to application by the surety as provided in § 190.332 or upon approval of a superseding bond or discontinuance of the business by the principal. Application for notice of termination of the rectifier's bond upon approval of a superseding bond or discontinuance of the business must be filed in duplicate with the district supervisor.

§ 190.331 *Termination of drawback bonds.* Bonds given on Form 1581 to cover drawback of internal revenue taxes paid on distilled spirits bottled especially for export, and exported, will be terminated by the district supervisor when no further withdrawals are to be made thereunder: *Provided*, That the account kept with the bond in accordance with Regulations 28 (26 CFR, Part 176), shows there are no outstanding charges.

(Sec. 3179 (b), I. R. C.)

§ 190.332 *Application of surety for relief from bond.* A surety on any bond may at any time in writing notify the principal and district supervisor, in whose office the bond is on file, that he desires after a date named, which shall be at least sixty days after date of notification, to be relieved of liability under said bond. The notice shall be executed in triplicate by the surety, who shall deliver one copy to the principal and the other two to the district supervisor, who will retain one copy and transmit the remaining copy to the Commissioner. If such notice is not thereafter in writing withdrawn, the rights of the principal as supported by said bond shall be terminated on the date named in the notice, and the surety shall be relieved in the case of a rectifier's bond, Form 34, from liability for products rectified wholly subsequent to the date named in the notice, and in the case of drawback bonds, Form 1581, from liability for distilled spirits withdrawn for export wholly subsequent to such date. This notice may not be given by an agent of the surety unless it is accompanied by a power of attorney duly executed by the surety authorizing him to give such notice or by a verified statement that such power of attorney is on file with the Treasury Department. The surety must also file with the district supervisor an acknowledgement or other proof of service of such notice on the principal.

§ 190.333 *Action on application for notice of termination of rectifier's bond.* When an application for notice of termination of a rectifier's bond as to future rectification is filed with the district supervisor in a case where a superseding bond has been approved, or the principal has discontinued business, as provided in § 190.330, the district supervisor will make a complete examination of records to determine whether there is any liability outstanding against the bond. He will also ascertain from the collector of internal revenue whether there are any outstanding, unpaid assessments or demands for taxes on products rectified under the bond. If it is found that outstanding assessments, or demands for payment, of taxes chargeable against the bond have not been paid or otherwise

settled, or that all taxes have not been paid on all spirits and wines subjected to any act of rectification during the period covered by the bond, the district supervisor will disapprove the application, unless the liability is settled. If the district supervisor finds that the rectifier's bond may properly be terminated, he will issue notice of termination thereof in accordance with § 190.334.

§ 190.334 *Notices, Forms 1490 and 1491.* When the district supervisor has determined that an application for termination of a rectifier's bond (Form 34) as to liability for future rectification, may properly be approved, he will execute Form 1490, where a superseding bond has been approved, or Form 1491, where the principal has discontinued business, in quadruplicate (quintuplicate if there are two sureties) and will forward the original to the Commissioner, one copy to each obligor on the bond, and retain one copy on file with the bond to which it relates.

§ 190.335 *Release of collateral.* The release of collateral pledged and deposited with the United States to support bonds required by this part will be in accordance with the provisions of Department Circular No. 154, revised (31 CFR, Part 225), subject to the conditions governing the issuance of notices on Forms 1490 and 1491 of the termination of such bonds. Collateral pledged and deposited to support a rectifier's bond, Form 34, will not be released by the district supervisor until all spirits which have been subjected to any act of taxable rectification while the bond was in force and effect, have been tax-paid. At any time prior to the release of such collateral security the district supervisor may, in his discretion, and for proper cause, extend the date of release of the security for such additional length of time as in his judgment may be appropriate. Collateral pledged and deposited to support a drawback bond, will ordinarily be released by the district supervisor upon issuance of notice of release of the bond, Form 1491.

(Sec. 1126, 44 Stat. 122; 6 U. S. C. 15)

SUBPART R—INSTRUMENTS

§ 190.345 *General requirements.* Rectifiers must provide themselves with proper instruments for gauging or determining the alcoholic content of spirits and wines.

(Sec. 2861, I. R. C.)

§ 190.346 *Standard hydrometer set.* For use in determining the proof of distilled spirits and rectified spirits to which saccharine or other solid matter has not been added, rectifiers will provide themselves with the standard hydrometer set, consisting of cup with thermometer and the necessary stems.

(Sec. 2861, I. R. C.)

§ 190.347 *Ebulliometer.* Except as provided in § 190.570, rectifiers will provide themselves with an approved ebulliometer or a small still for use in determining the alcoholic content of blended whiskies containing cherry wine, prune juice, caramel, glycerine, etc., and of wines, cordials, liqueurs, and other recti-

fied products containing saccharine or other solid matter. The following ebulliometers have been approved by the Commissioner for use in determining the alcoholic content of such products: Salteron-Dujardin, Juere, Lefco, Braun, E. B. Torino (with shield), "TAG" (with shield), Malligand Type (with shield), L'Ebulliometer Levesque (with shield), and Arnaldo-Sala (with shield). The E. B. Torino, "TAG," Malligand Type, L'Ebulliometer Levesque, and Arnaldo-Sala have been approved subject to the condition that they will be used in connection with a shield to protect them from drafts or air currents.

(Sec. 2861, I. R. C.)

§ 190.348 *Other instruments.* The Commissioner may authorize the use of other equally accurate instruments for determining the alcoholic content by volume of such blended whiskies, and of wines, cordials, liqueurs, and similar products.

(Sec. 2861, I. R. C.)

§ 190.349 *Accuracy of instruments to be checked.* Government officers will from time to time check the accuracy of all instruments used at rectifying plants, and will be furnished suitable necessary instruments for that purpose. Great care must be taken in testing the instruments in order to get correct results. Instructions for use of the standard hydrometer set and of small stills (or wine sets) will be found in the Gauging Manual (26 CFR, Part 186) and in Regulations 7 (26 CFR, Part 178), respectively. Ebulliometers will be tested in accordance with the instructions furnished with the instruments. Instructions for the use of approved ebulliometers will be found in Regulations 7.

DERIVATION: T. D. 5542.

SUBPART S—FORMULAS AND PROCESSES

§ 190.360 *Form 27-B Supplemental.* Every rectifier must file with the district supervisor a statement in detail of each formula and process by which he intends to rectify spirits. A separate Form 27-B Supplemental, in quadruplicate, must be filed for each formula and process, and each formula will be serially numbered beginning with number 1.

§ 190.361 *Description of formula.* Each formula must show the name of the product, the proof thereof, and all the ingredients composing the formula, but the quantity or percentage of each ingredient need not be given, except as provided in this section. Where the taxability or labeling of the product is affected by the quantities or percentages of the ingredients used, the quantities or percentages of such ingredients shall be specified in the formula. Where grape wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, plum wine, pear wine, paw-paw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, which has been fortified with brandy is used, the percentage thereof by volume of the finished product shall be shown. Where sweetening materials are used in compounding products with such wine, the kind and quantity of the sweetening material shall be shown. Where col-

oring, flavoring, or blending materials are used, the kind and percentage thereof by volume shall be shown. If intermediate products are made for use in manufacturing finished products for sale, as provided in § 190.504, the formula and process by which both the intermediate products and the finished products are made shall be filed. The Commissioner or district supervisor may require the quantity or percentage of each ingredient to be specified in any formula when such is deemed necessary to determine the proper taxability or labeling of the product. Formulas specifying various proofs may be accepted, provided each lot of spirits transferred to a bottling tank is bottled at the same proof. Where the rectifying process will not be completed within ten days, the time required for completion thereof must be shown on Form 27-B Supplemental, and application for approval of such extended process submitted therewith in accordance with Subpart Z of this part.

§ 190.362 *Use of alcoholic flavoring material.* Formulas providing for the use of alcoholic flavors or flavoring extracts under the provisions of §§ 190.59-190.61, in addition to showing the kind of and percentage (by volume) of such material used, must specify the percentage of alcohol (by volume) contained therein. Any formula requiring the use of flavoring materials in excess of the 2½ percent limitation provided in § 190.59 shall show the quantity of alcohol in the finished product derived from flavors or flavoring extracts subject to drawback under section 3250 (1), I. R. C., and flavors or flavoring extracts on which drawback has not been nor will be claimed, and, as to the latter, shall show whether such material is manufactured on rectifying plant premises or obtained from a manufacturer, and if obtained from a manufacturer, whether there will be on file at the rectifying plant a sworn statement by the manufacturer that drawback under section 3250 (1), I. R. C., has not been nor will be claimed on such material.

DERIVATION: T. D. 5573.

§ 190.363 *Description of process.* The statement of process must set out in sequence each step therein from the dumping of the spirits for rectification to the completion of the finished product. If the process employed is a continuous one, the statement should clearly show the continuity of the steps thereof. Rectifying processes are deemed to be continuous or unbroken where the spirits are carried through the various steps of rectification specified in the approved formula and statement of process as expeditiously as normal, efficient plant operation will permit in the manufacture of a finished product of standard quality. Reasonable intervals of time occurring between the completion of one step and the commencement of another step occasioned by normal plant operation are not deemed to be a break in the continuity of the rectifying process, where such steps are specified in the approved formula and statement of process and the rectifying process is completed within the specified 10-day limit or such further

period of time as may be authorized by the Commissioner.

§ 190.364 *Changes of formulas and processes.* Where a formula conforming to the requirements of this subpart has been submitted it will not be necessary to submit a new formula if the product is to be put up under another brand name (but not as another class or type), or if the quantity of any ingredient used, other than those the percentage of which is required to be disclosed, is varied from time to time. Where the ingredients composing the formula are changed, however, a new formula must be submitted. Any change in the process of rectification will necessitate the submission of a new Form 27-B Supplemental showing the formula and the changed process.

§ 190.365 *Disposition of Form 27-B Supplemental.* The district supervisor will forward all copies of Form 27-B Supplemental to the Commissioner. If the form is properly prepared and the process is approved, the Commissioner will indicate the tax or taxes due on the finished product, note his approval on the form, retain one copy thereof and return three copies to the district supervisor, who will retain one copy and forward one copy to the rectifier and one copy to the storekeeper-gauger assigned to the plant. The approved Forms 27-B Supplemental will be filed in serial order, available for ready reference, by the storekeeper-gauger at the rectifying plant and by the rectifier and the district supervisor.

SUBPART T—SPECIAL (OCCUPATIONAL) TAXES

§ 190.375 *Rectifier's special tax.* Every person engaged in business as a rectifier, within the meaning of the term as defined in Subpart C, must file Form 11 with the collector and pay special tax as such. Persons rectifying less than 500 barrels a year, counting 40 proof gallons to the barrel (i. e., less than 20,000 proof gallons), must pay special tax at the rate of \$110 per year, and persons rectifying 500 barrels or more a year (i. e., 20,000 proof gallons or more) must pay special tax at the rate of \$220 per year.

(Sec. 3250 (f) (1), I. R. C.)

DERIVATION: T. D. 5004.

§ 190.376 *Change to higher or lower rate.* A rectifier who has paid the special tax as a rectifier of less than 500 barrels and who exceeds that quantity must immediately pay the special tax due at the higher rate (\$220 per year) to the collector for the full period, and obtain a new special tax stamp. The rectifier may submit the stamp representing the special tax paid at the lower rate to the collector with a claim on Form 843 for redemption thereof. A rectifier who has paid special tax at the higher rate, but actually rectifies less than 500 barrels of spirits during the year, may likewise procure a new special tax stamp at the lower rate (\$110) and submit the stamp representing the tax paid at the higher rate to the collector with a claim on Form 843 for redemption thereof.

(Secs. 3250 (f) (1), 3304, I. R. C.)

§ 190.377 *Liquor dealers' special taxes.* Rectifiers who sell distilled spirits or wines must file separate return on Form 11 and pay special (occupational) taxes as wholesale liquor dealer or retail liquor dealer, or both, in accordance with the law and Regulations 20 (26 CFR, Part 194).

(Secs. 3250 (a), (b), 3254 (b), (c), I. R. C.)

§ 190.378 *Warehouse receipts covering distilled spirits.* Since the sale of warehouse receipts for distilled spirits is equivalent to the sale of distilled spirits, every proprietor of a rectifying plant who sells, or offers for sale, warehouse receipts for distilled spirits stored in internal revenue bonded warehouses, or elsewhere, incurs liability to special tax as a dealer in liquors at the place where warehouse receipts are sold or offered for sale and must file return and pay occupational tax as provided in § 190.377.

(Secs. 3250 (a), 3254, 3270, 3271, 3272, I. R. C.)

DERIVATION: T. D. 5638.

§ 190.379 *Liability not affected by commodity tax exemption.* Exemption from the commodity tax on products of rectification does not provide exemption from the special tax as a rectifier, nor from the dealers' special taxes for the sale of rectified spirits.

SUBPART U—PLANT OPERATION

§ 190.385 *Restrictions.* No operations pertaining to transferring spirits from tanks or tank cars to storage tanks, gauging and dumping spirits or wines for rectification, rectifying, bottling, or shipping, shall be carried on at a rectifying plant during other than regular business hours, unless special permission is first obtained therefor from the district supervisor, which permission, by reason of section 2870, I. R. C., shall not extend to the removal of any package of spirits containing more than 10 gallons between sundown and sunrise: *Provided, however,* That these restrictions shall not apply to rectifying processes that are automatic and continuous, and do not require any personal handling or other manipulation during such restricted hours.

§ 190.386 *Operations after regular hours.* The district supervisor will exercise sound discretion and may allow such rectifying processes, bottling, and other things to be done after regular hours, as in his judgment may safely be permitted without jeopardy to the revenue, where the proprietor establishes legitimate necessity therefor. The rectifier may, in the discretion of the district supervisor, be authorized to complete the distillation of tax-exempt gin or the bottling of spirits after regular business hours: *Provided,* That such distillation is limited to the quantity of spirits involved in the distilling operation in progress at the close of regular business hours and such bottling operations are confined to spirits which have been released for bottling by the Government officer after all taxes due, if any, have been paid, and that the gin produced is run into closed, locked receiving tanks and the spirits bottled are

kept on the premises until the following day. Such other operations as the filtering of spirits, the filling of bottling tanks where the outlets thereof are locked, and the conducting of taxable rectifying processes where the spirits are retained for inspection and tax-payment, may be authorized in the discretion of the district supervisor.

§ 190.387 *Emergency operations under supervision.* Except as provided in § 190.386, the operations at rectifying plants will be restricted to regular business hours, unless it should be found necessary to permit operations after such hours to meet seasonable demands or temporary emergency conditions. An emergency will be understood to mean a condition which could not reasonably be obviated. Where bona fide emergencies exist, district supervisors will assign officers to duty outside of regular hours only after thorough investigation of the facts in each case and only in the event the necessary personnel can be assigned without undue interference with other activities.

§ 190.388 *Expedition required.* It is not necessary to keep Government officers at plants where no operations are being conducted, and, as provided in § 190.395, one officer may be assigned to supervise several small plants. Where a Government officer is not assigned continuously at a rectifying plant, rectifiers will, upon arrival of the officer, be required to conduct the operations requiring his supervision as expeditiously as possible in order that the officer may not be required to remain at the rectifying plant any longer than necessary.

§ 190.389 *Operations without supervision.* Where the volume of business at a rectifying plant is insufficient to warrant the assignment of a Government officer to continuous duty at the plant during regular business hours, the rectifier may conduct such operations in the absence of the officer as are not required by this part to be done under the supervision of a Government officer: *Provided, however,* That the district supervisor may in his discretion require such other operations to be conducted in the presence of the Government officer as he deems necessary for the protection of the revenue.

SUBPART V—COMMENCEMENT OF OPERATIONS

§ 190.395 *Assignment of storekeeper-gauger.* When a rectifying plant has been established as provided in this part, the district supervisor will, upon the commencement of operations, assign one or more storekeeper-gaugers to the plant: *Provided,* That one storekeeper-gauger may be assigned to supervise several small plants. In determining the number of storekeeper-gaugers to be assigned to a rectifying plant the district supervisor will consider the number and size of the rooms or buildings comprising the plant, the quantity of spirits to be gauged and dumped daily, the quantity to be bottled daily, and whether the rectifying plant is contiguous or adjacent to a distillery or internal revenue bonded warehouse.

§ 190.396 *Examination of plant.* Storekeeper-gaugers will, upon assignment to a rectifying plant intending to commence operations, examine the plant and the apparatus and equipment, and determine that the manheads, inlets, outlets, and other necessary openings of storage, receiving, and bottling tanks, the manheads of gravity tanks, the doors and other openings of the wine bottling room and export storage room, if any, and the door of the Government cabinet, are properly equipped for locking with Government locks, and that the plant and the apparatus and equipment conform to this part. The storekeeper-gauger will apply Government locks of the kind prescribed in this part whenever the same are required.

SUBPART W—RECEIPT OF SPIRITS

§ 190.405 *Tax-paid liquors only.* Only distilled spirits, wines, and other liquors that have been previously tax-paid at the rates provided by law may be received at a rectifying plant.

§ 190.406 *Deposit in receiving room.* Except as provided in §§ 190.94, 190.407, and 190.408, all distilled spirits, wines, and other liquors received at a rectifying plant shall be immediately placed in the receiving room. The spirits, wines, and other liquors must remain in the receiving room until permission is obtained on Form 122, to remove the same to the rectifying room for dumping and rectification, or on Form 230, to remove the same to the bottling room, or to the rectifying room where no separate bottling room is provided, for dumping and bottling without rectification, except that unrectified bulk spirits may be shipped or removed from the receiving room without obtaining such permission.

§ 190.407 *Receipt by tank car.* Where distilled spirits are received in tank cars or wines are received in tank cars, tanks, or tank trucks, they must be transferred directly from such containers into storage, processing or bottling tanks if the distilled spirits or wines are first inspected by a Government officer. When such spirits are transferred directly into processing or bottling tanks, the rectifier must submit Form 122 or Form 230, as the case may be, to the Government officer assigned to the plant for approval as provided in §§ 190.425-190.434 and 190.685-190.688, immediately the tank cars, tanks, or tank trucks are emptied. Distilled spirits may be received in tank cars only if the premises of the rectifier are equipped with suitable railroad siding facilities. Before permitting spirits to be transferred from a tank car into storage, processing, or bottling tanks, the Government officer will see that the railroad car seals are intact on the tank car and that the car bears the collector's certificate of tax-payment, Form 1595. When spirits are transferred into or out of storage tanks, the Government officer shall open and close the Government locks, but it shall be the duty of the proprietor to manipulate the stopcocks or valves controlling the flow of the spirits. The officer will keep a memorandum record of the quantities of spirits entered into and withdrawn from each storage tank by dates.

in order that he may determine that only lawful, tax-paid spirits are received and withdrawn from such tanks.

(Sec. 2883, I. R. C.)

§ 190.408 *Receipt by pipe line.* Where spirits are received at a rectifying plant by pipe line, they shall be conveyed directly into one or more storage tanks, unless the quantity of spirits so transferred is to be conveyed directly into one or more bottling tanks for bottling without rectification, or into one processing tank. Spirits received by pipe line may be successively deposited into the processing tank. When spirits are received by pipe line from a contiguous rectifying plant, the quantity of spirits so transferred must be conveyed directly into one or more bottling tanks. When spirits are transferred into or out of such tanks, the Government officer and the rectifier shall follow the procedure specified in § 190.407 insofar as it is applicable.

(Sec. 2883, I. R. C.)

§ 190.409 *Certificate of tax-payment, Form 1595.* When distilled spirits are received in a tank car at a rectifying plant, the rectifier shall at the time the car is emptied scalp the certificate of tax-payment, Form 1595, by cutting out all of that portion of the certificate within the border. The rectifier shall then send the scalped portion of the certificate to the supervisor of the district in which the rectifier is located, and shall obliterate the remainder of the certificate. If the tank car is received without the certificate attached thereto, the rectifier shall note such fact on the bill of lading (if any) or Form 1520 or 1440 covering such tank car and immediately notify the district supervisor, who will cause such inquiry to be made respecting the shipment and receipt of the car as he may deem appropriate. Where a tank car with the certificate missing is received at a rectifying plant, the storekeeper-gauger will furnish a complete report to the district supervisor.

§ 190.410 *Comparison of scalped certificate with application.* The district supervisor will compare the scalped certificate of tax-payment, Form 1595, with the copy of the application therefor, Form 1594, forwarded to him by the collector at the time Form 1595 was issued. The certificate and the application will be compared as to names of vendor and vendee, number of gallons, amount of tax, etc., and any discrepancy will be investigated. The district supervisor will then send the copy of the application to the Commissioner, and, where there is a discrepancy, a report of his findings relative thereto.

§ 190.411 *Disposition of gauge report; tank car.* When distilled spirits received in a tank car are run into a storage tank, the report of gauge, Form 1520 in the case of spirits other than alcohol, and Form 1440 in the case of alcohol, sent to the rectifier by the vendor, shall be attached to such storage tank. The rectifier shall enter the date and quantity of removals from the storage tank in a blank space on the report of gauge. The report of gauge shall be kept on the tank until such time as the quantity covered

by such report has been withdrawn from the tank. The report shall then be filed by the rectifier, available for inspection by Government officers. Where the spirits are run directly from a tank car into a bottling tank for bottling without rectification, the proprietor shall make a note to that effect on the report of gauge, and attach it to the tank. Upon completion of the bottling, Form 1440 or Form 1520 will be filed by the proprietor. Where the entire quantity of spirits received is run into more than one storage tank, or into more than one bottling tank, the rectifier will prepare additional copies of the report of gauge for attachment to each such tank, and note thereon the quantity run into each tank. If the spirits are transferred directly from the tank car into one or more processing tanks, the rectifier will note on the report of gauge the quantity run into each tank and file it. The requirements of this section shall not preclude use of the spirits prior to receipt of Form 1520 or Form 1440.

(Sec. 2883, I. R. C.)

§ 190.412 *Disposition of gauge report; pipe line.* When spirits received by pipe line are run into a storage tank, the report of gauge, Form 703-A, Form 1520, or Form 1440, delivered to the rectifier by the vendor shall be attached to the storage tank. The rectifier shall enter the date and quantity of removals from the storage tank in a blank space on the report of gauge. The report of gauge shall be kept on the tank until such time as the quantity covered by such report has been withdrawn from the tank. The report shall then be filed by the rectifier, available for inspection by Government officers. Where the spirits are run directly by pipe line into a bottling tank, for bottling without rectification, the report of gauge will be attached to the tank. Upon completion of the bottling, Form 703-A, 1440, or 1520, as the case may be, will be filed by the proprietor. Where spirits are received by pipe line from a rectifying plant and transferred directly into a bottling tank, the rectifier shall attach the report of gauge, Form 230 or Form 237, received from the proprietor of the transferring rectifying plant to the bottling tank. Upon the completion of the bottling, Form 230 or Form 237 will be disposed of in accordance with § 190.703. Where the entire quantity of spirits received is run into more than one storage or bottling tank, the rectifier will prepare additional copies of Forms 703-A, 230, 237, 1440 or 1520, as the case may be, for attachment to each such tank, and note thereon the quantity run into each tank. If the spirits are transferred directly by pipe line into one processing tank, the rectifier shall make a notation to that effect on the report of gauge and file it. The spirits transferred by pipe line may not be used by the rectifier prior to attachment of the above forms to the tank or tanks into which the spirits are directly conveyed.

(Sec. 2883, I. R. C.)

§ 190.413 *Mixing of different spirits prohibited.* Spirits received in tank cars or by pipe line which were produced by two or more distillers, or which differ

in kind according to the standards of identity established under the Federal Alcohol Administration Act (27 U. S. C., Sec. 205 (e), (f)), or which are otherwise heterogeneous, may not be mingled in a storage tank.

(Sec. 2883, 3254 (g), I. R. C.; sec. 5, 49 Stat. 981; 27 U. S. C., 205 (e), (f))

§ 190.414 *Packages bearing evidence of tampering.* When the rectifier, upon inspection of spirits, discovers that any package or other container bears evidence that illicit untax-paid spirits have been substituted for the original contents or any part thereof, or that the character of the original contents has been changed by adulteration or in any other manner, except by diminution in quantity due to leakage or evaporation, he will immediately report the matter to the district supervisor and set aside the package pending advice from the district supervisor as to its disposition.

§ 190.415 *Record, Form 45.* Every rectifier shall enter on Form 45, all distilled spirits, wines, and other liquors received by him.

(Secs. 2855, 2857, 3170, I. R. C.)

SUBPART X—GAUGING AND DUMPING SPIRITS FOR RECTIFICATION

§ 190.425 *Application, Form 122.* When the rectifier desires to dump spirits for rectification, he will prepare Form 122, in duplicate, giving a complete description of the packages and making application for permission to dump the spirits in accordance with the headings of the various columns and lines on the form, and the instructions printed thereon or issued in respect thereto and as required by this part. The rectifier will carefully gauge each package, except that where spirits are transferred to the rectifying plant directly upon tax payment from a contiguous distillery or internal revenue bonded warehouse or a distillery or internal revenue bonded warehouse located in the immediate vicinity of the rectifying plant and owned by the proprietor of the rectifying plant or a subsidiary and dumped for rectification within 30 days after receipt, the withdrawal gauge will be considered as satisfying the requirement that the spirits shall be gauged when dumped for rectification. The supervisor will determine from all circumstances in each case whether the distillery or warehouse and the rectifying plant are in the immediate vicinity. Where the spirits are so dumped on the withdrawal gauge, details of such gauge will be copied on Form 122 and in addition thereto, if the rectifying plant is equipped with processing tanks mounted on scales, the spirits may be dumped and gauged by weight in such processing tanks. In such case, the composite proof and proof gallons determined by such gauge shall also be reported on Form 122. The difference in proof gallons between the withdrawal (tax payment regauge) and such tank gauge shall also be reported on Form 122. If the spirits are to be drawn from the storage tank, the rectifier will likewise execute Form 122 giving all the information applicable. When spirits are received by pipe line or withdrawn from

storage tanks and run into a processing tank, or when spirits are received by tank car and run into one or more processing tanks, the rectifier will execute Form 122 giving all applicable information. Each Form 122 will be given a serial number beginning with "1" for the 1st day of January of each year and running consecutively thereafter to December 31, inclusive.

(Secs. 2813, 2883, I. R. C.)

§ 190.426 Distiller's original packages. Where spirits, including alcohol, contained in distiller's original packages are to be dumped, the rectifier will cut out with a sharp instrument, that portion of each tax-paid stamp upon which is shown the serial number of the stamp, the date, the name of the distiller or warehouseman, the proof gallons, and the serial number of the package. The scalped portions of the stamps will be securely attached by means of a staple, eyelet, or similar device to a slip of paper in such manner that the data thereon may be readily examined, and such slip of paper bearing the cut-out portions of the stamps will be securely stapled or otherwise similarly attached to one copy of Form 122.

(Sec. 2813, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.427 Rectified spirits. If packages of rectified spirits are to be dumped, that portion of each rectified spirits stamp bearing the serial number, the date, the name of the rectifier, the proof gallons, the class, and the district and State, will be cut out and attached to one copy of Form 122 in the same manner as tax-paid stamps.

(Sec. 2813, I. R. C.)

§ 190.428 Imported spirits. Where packages of imported spirits are to be dumped, that portion of each customs stamp showing the kind of spirits, the serial number, date of issue, name of the importer, proof gallons, and the name and district of the collector of customs, will be cut out and attached to one copy of Form 122 in the same manner as tax-paid stamps.

(Sec. 2813, I. R. C.)

§ 190.429 Wholesale liquor dealer's packages. Where spirits contained in wholesale liquor dealer's packages are to be dumped, that portion of each wholesale liquor dealer's stamp extending from the top to the bottom and embracing the entire width between the words "proof" and "collector" appearing near the bottom of the stamp, will be cut out and attached to Form 122 in the same manner as tax-paid stamps.

(Sec. 2813, I. R. C.)

§ 190.430 Lost or mutilated stamps. When a stamp has been lost or mutilated, so that the required portion thereof cannot be returned, an affidavit setting forth all the facts in the case will be made by the rectifier and attached to each copy of Form 122.

(Sec. 2813, I. R. C.)

§ 190.431 Wine stamps. Since it is impracticable to cut out or scalp wine stamps, the rectifier will, whenever wines

are to be dumped from properly stamped containers, certify to such fact by writing the words "Wine stamps attached to the containers," in the columns provided for the description of stamps on Form 122. If the wine to be dumped is in a tank car, storage tank, bottles, or other containers to which wine stamps representing the tax are not attached, the rectifier will attach to one copy of Form 122 a statement explaining the absence of such stamps.

(Sec. 2813, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.432 Notation on Form 122. Where spirits are received in a railroad tank car bearing certificate of tax-payment, Form 1595, or where spirits are received by pipe line, or where spirits in stamped bottles are to be dumped, an explanatory statement will be made in the columns provided for the description of stamps on Form 122, as "Form 1595, Serial No. _____, dated _____, heretofore submitted," or "Form 1520, dated _____, pipe line transfer on Form 1595, Serial No. _____," or "Form 1440, dated _____, pipe line transfer on Form 1595, Serial No. _____," or "In stamped bottles," as the case may be.

(Secs. 2813, 2883, I. R. C.)

§ 190.433 Statement of Government officer. Where scalped portions of the stamps are not attached to Form 122 by reason of facts or circumstances described in §§ 190.430 and 190.431, the spirits or wines must be inspected by a Government officer before being dumped. The officer will satisfy himself that the spirits or wines have been lawfully tax-paid and will attach to each copy of Form 122 a statement, over his signature, setting forth the reasons why the scalped portions of the stamps are not attached.

(Sec. 2813, I. R. C.)

§ 190.434 Approval of officer. The rectifier will submit both copies of Form 122 to the Government officer. The officer will inspect the spirits described in the application and verify the entries. If he is satisfied that the spirits are tax-paid and that the entries are correct, he will sign the approval statement on both copies, and will return the same to the rectifier.

§ 190.435 Dumping of packages of spirits. The rectifier will, upon receipt of the approved Form 122, remove the packages of spirits to the rectifying room, immediately dump the same into approved processing tanks or receptacles, and enter the date of dumping on each copy of such form.

(Secs. 2855, 3170, I. R. C.)

§ 190.436 Marking processing tanks. In every case where spirits are placed into processing tanks or receptacles the number of the formula under which the spirits are to be rectified will be marked legibly upon such tanks or receptacles: *Provided*, That where packages of spirits are dumped under the circumstances described in § 190.438 the rectifier will not be required to mark the formula number on processing tanks or receptacles.

§ 190.437 Disposition of approved Form 122. When the spirits have been placed into processing tanks or receptacles, the approved copy of Form 122 to which the slip bearing the cutout portions of the stamps, or statements, or affidavit and statements, in lieu thereof, are attached, will be forwarded immediately by the rectifier to the district supervisor. The rectifier will retain the other copy on file at the rectifying plant available for examination by Government officers. Upon receipt of Form 122, the district supervisor will see that the requisite scalped stamps, or statements, or affidavit and statements, in lieu thereof, are attached to the form.

§ 190.438 Entire package to be dumped. A portion of a package may not be dumped for rectification. Where it is desired to rectify a quantity of spirits less than a full package, the entire package must be dumped into a processing tank or receptacle and the quantity which it is desired to rectify at that time must be removed from such tank or receptacle to another processing tank for rectification. The first processing tank or receptacle into which the full package was dumped will be labeled to show the kind of spirits and the serial number and date of the Form 122 pursuant to which such spirits were dumped. Where small quantities of rum, sherry wine, or other liquors are to be used for flavoring purposes from time to time, a statement to that effect shall be made on Form 122 covering the gauge and dumping of the packages, unless the entire quantity is to be used within 10 days from the date of dumping. No larger quantities of liquor to be used for flavoring purposes shall be dumped than necessary for a reasonable period, except that not less than an entire original package (barrel or keg) may be dumped. No liquors except small quantities of those used for flavoring and similar purposes shall be retained in processing tanks or receptacles for an indefinite period.

§ 190.439 Special authorization required for return of spirits to receiving room. When spirits have been removed to the rectifying room they may not be returned to the receiving room, except upon special authorization of the district supervisor. The district supervisor will authorize the return of spirits from the rectifying room to the receiving room without payment of rectification tax only where reasonable cause for such action is shown and he is satisfied that the spirits have not been subjected to any act of rectification. The mere cancellation of orders is not deemed to be sufficient cause to warrant the granting of such authorization unless the product is one for which the rectifier has no other sale.

§ 190.440 Destruction of stamps, marks, and brands on spirits packages. When packages of distilled spirits are emptied all stamps, except the scalped portions thereof attached to Form 122, and all marks and brands which such packages are required by law to bear, must be completely effaced and obliterated. This should be done immediately upon completion of the dumping, draining, and rinsing of the packages. Pack-

ages from which all stamps, marks, and brands have not been completely effaced and obliterated are subject to forfeiture.

(Sec. 2866, I. R. C.)

§ 190.441 *Destruction of tank car certificates.* Certificates of tax-payment affixed to tank cars of distilled spirits, except the portions thereof scalped for submission to the district supervisor, must likewise be immediately destroyed when such cars are emptied.

(Sec. 2883, I. R. C.)

§ 190.442 *Destruction of stamps and marks on wine containers.* When packages of wines are emptied by a rectifier all stamps and marks which such packages are required by law and regulations to bear must be destroyed by scraping or obliteration immediately the packages are emptied. Labels affixed to tank cars, and labels and stamps affixed to tank trucks, of wine indicating tax-payment of the contents must also be scraped or obliterated immediately the tank cars are emptied.

§ 190.443 *Rinsing of barrels.* When packages of distilled spirits are dumped, the barrels and wood chips, if any, contained therein, must be rinsed with water of a temperature of not more than 110 degrees Fahrenheit. In the case of barrels which were rinsed in the internal revenue bonded warehouse at the time they were dumped for tax-payment, and in the case of barrels containing rectified spirits exempt from the rectification tax, the rinse water obtained at the time of dumping for rectification may be used to reduce the proof of spirits dumped from such barrels in the rectifying plant. Any rinse water remaining after such reduction must be poured upon the ground or into a sewer, and may not be mixed with spirits dumped from other packages. In the case of barrels not rinsed in the internal revenue bonded warehouse at the time of tax-payment, and in the case of barrels containing rectified spirits on which the rectification tax has been paid, the rinse water obtained at the time of dumping for rectification may not be used to reduce the proof of spirits dumped from such barrels in the rectifying plant, but must be poured upon the ground or into a sewer. Wood chips dumped from the packages will be disposed of in the manner prescribed in § 190.496.

(Sec. 2883, I. R. C.)

§ 190.444 *Extracting spirits from wood forbidden.* The rinsing with water of a temperature in excess of 110 degrees Fahrenheit or the steaming of packages, or wood chips contained therein, for the purpose of extracting spirits from the staves and heads of the packages or from the wood chips, is forbidden. Likewise, such barrels may not be filled or partially filled with water and permitted to stand for the purpose of extracting spirits, nor may any other method or process, except as authorized in § 190.443, be used to extract spirits from the barrels.

(Secs. 2896 (e), 2883, I. R. C.)

§ 190.445 *Use of original packages as processing receptacles.* When distilled

spirits and wines are to be rectified they must be dumped pursuant to approved Form 122 into approved processing tanks or receptacles: *Provided, however, That,* where it is desired to rectify the spirits or wines within the original packages, the original stamps and marks may be completely effaced and obliterated and the packages marked as processing receptacles or quick-aging packages in accordance with § 190.121 or § 190.123, as the case may be, in which case the spirits or wines will be considered as constructively dumped.

§ 190.446 *Use of original packages as shipping containers.* Original packages may be used as shipping or storage containers for rectified products, provided all of the original stamps and marks are completely effaced from the packages, as required in §§ 190.440 and 190.442, and the packages are marked and stamped as shipping containers in accordance with Subpart II of this part. Where the original packages have been used as processing receptacles upon destruction of the original stamps and marks, and the marking of the containers as processing receptacles or quick-aging packages, the markings as processing receptacles or quick-aging packages must likewise be completely effaced and the packages marked and stamped in accordance with Subparts GG and II of this part before they may be used as shipping containers.

§ 190.447 *Discrepancies disclosed by regauge to be reported.* Whenever a rectifier, upon regauging any distiller's original package to be dumped for rectification or for bottling finds that due to increase in gross-weight or in proof the package contains 1 proof gallons or more of spirits in excess of the quantity which, according to the stamps, marks, and brands on the package, was contained therein at the time of tax-payment, he shall set aside the package and notify the district supervisor of the results of his regauge.

§ 190.448 *Verification.* The district supervisor will cause the package to be inspected and regauged by an experienced storekeeper-gauger. If the excess of spirits is reported to be due to an increase of the gross weight of the package, the storekeeper-gauger will test the scales to determine the accuracy thereof before reweighing the package; and if the excess is reported to be due to an increase in the proof of the spirits, the storekeeper-gauger will see that the hydrometer and thermometer are accurate before taking the proof of the spirits. Upon completion of the regauge the storekeeper-gauger will submit to the district supervisor a report of his inspection, accompanied by a report of the regauge on Form 1520. The package will not, however, be detained or seized, unless the circumstances are such as to indicate fraud.

§ 190.449 *Assessment of tax.* If the storekeeper-gauger's report of gauge shows an excess of 1 proof gallon or more of spirits, and there is nothing to indicate an intentional evasion of tax, the district supervisor will report the taxable excess to the Commissioner for assessment against the distiller or warehouse-

man who tax-paid the spirits, in accordance with the prescribed assessment procedure. If, however, the storekeeper-gauger's report indicates fraud, the district supervisor will cause a thorough investigation to be made before determining and reporting the tax liability for assessment.

SUBPART V—RECTIFICATION

KINDS OF LIQUORS

§ 190.460 *Tax-paid liquors only.* Only distilled spirits, wines and other liquors that have been previously tax-paid at the rates provided by law, may be used for rectification. No wines or other liquors may be produced by fermentation at a rectifying plant, except that champagne and sparkling wine may be so produced through secondary fermentation of tax-paid wine.

TAX-EXEMPT GIN

§ 190.461 *Production.* Gin may be produced exempt from the rectifying tax by the redistillation of a pure spirit over juniper berries and other aromatics. Gin so produced must be run into a receiving tank from which it must be promptly (a) drawn into packages, gauged, stamped, and removed to the finished products room or (b) transferred to a bottling tank, gauged, and bottled and removed to the finished products room or conveyed by pipe line to a contiguous tax-paid bottling house or rectifying plant for bottling. (See §§ 190.615 to 190.672.)

(Sec. 2800 (a) (5), I. R. C.)

DERIVATION: T. D. 5573.

§ 190.462 *Definition of pure spirit.* The term "pure spirit" is held to mean alcohol or neutral spirits, distilled at or above 190 degrees of proof (whether or not such proof is subsequently reduced), free from impurities, including spirits of such a nature recovered by redistillation of imperfect gin spirits.

(Secs. 2800 (a) (5), 2883, I. R. C.)

§ 190.463 *Type of still.* Tax-exempt gin may be produced by a rectifier by redistillation of pure spirits over juniper berries and other aromatics with any type of still where the process is continuous and closed. There may be refluxing of gin spirits, if such spirits are refluxed immediately and directly back to the same gin still with the same charge. There cannot be any redistillation where the vapors do not pass over the juniper berries and other aromatics. Where the gin still is equipped with a by-pass around the berry basket, such by-pass must be removed or provided with a stop-cock and kept locked with a Government lock, except when taxable spirits are being produced.

§ 190.464 *Juniper berries and other aromatics.* The juniper berries may be crushed or mashed, and the other flavoring herbs and substances such as licorice, orange peel, orris root, etc., may be reduced to smaller particles to facilitate extraction, but the materials may not be steeped or percolated with the spirits before distillation is commenced. The juniper berries and other aromatics may be placed in the gin head of the still or in the liquid spirits within the still. Ex-

tracts, essences, oils, etc., of such materials may not be used.

(Sec. 2800 (a) (5), I. R. C.)

§ 190.465 *Mixing with other spirits or materials prohibited.* Gin produced by redistillation under exemption from tax cannot be mixed with other spirits or treated by the addition or abstraction of any substance or material other than pure water after redistillation, nor can any substance or material other than juniper berries or other aromatics or pure water be added to the spirits prior to or during redistillation.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.466 *Reduction and filtering.* Gin exempt from the rectifying tax may be reduced with water in the receiving or bottling tanks and may be filtered when necessary to remove materials held in suspension. The use of filters or filter-aids which will remove essential oils or flavoring materials in solution, thereby changing the composition and character of the gin, will subject the product to the rectifying tax. Whether the filtering changes the composition of the gin by removing materials in solution is a question of fact determinable by chemical analysis of samples of the spirits before and after filtration.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

TAXABLE GIN

§ 190.467 *Production.* Gin produced in any manner or by any means, other than by the redistillation of a pure spirit over juniper berries and other aromatics as provided in § 190.461 (or by original and continuous distillation at a registered distillery), is subject to the rectification tax. Such taxable gin includes gin produced by compounding spirits with juniper oil, extracts, essences, derivatives, or other similar materials; gin produced by steeping juniper berries, aromatics, sloe berries, or other materials in spirits; gin produced by blending distilled or compounded gin with spirits; gin produced with spirits other than neutral spirits, either by distilling or compounding; and gin manufactured by the use of any process or materials other than those specified in § 190.461-190.466 as exempt from the rectification tax.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.468 *Treatment of gin.* The treatment of gin with any materials or process which changes its composition, subjects the product to the rectification tax. Such treatment includes that flavoring of gin with fruits, sloe berries, extracts, essences, etc., and the manipulation of gin by a physical or chemical process, such as redistillation, filtration, or treatment with activated carbon or other materials, which changes its composition or character.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

PURIFYING OR REFINING SPIRITS

§ 190.469 *General.* Except as otherwise provided in Subpart C of this part, the purifying or refining of distilled spirits by any process constitutes taxable rectification. Such purifying or refining processes include redistillation;

leaching; filtering or centrifuging; treatment with activated carbon, chemicals or other materials; or any other process which changes the character or composition of the spirits by removal, change, or modification of soluble matter held in solution in the spirits.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.470 *Disposition.* When alcohol or other spirits, such as, heads and tails or high and low feints, impure, or imperfect spirits and products, residues, etc., are purified or refined at a rectifying plant, such purified or refined spirits must be promptly gauged in the receiving tank, Form 237 prepared, and the tax paid by means of rectified spirits stamps in accordance with the procedure set forth in § 190.585 for the payment of tax on spirits in bottling tanks, unless such purified or refined spirits are to be used in the rectifying plant in the manufacture of taxable rectified products, as provided in § 190.471. Materials used for purifying or refining spirits will be disposed of in the manner prescribed by § 190.496.

(Secs. 2800 (a) (5), 2861, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.471 *Use in manufacturing tax-exempt products.* Where the purified or refined spirits are to be used on the premises in the manufacture of rectified products exempt from the rectification tax, the rectification tax due on such purified or refined spirits must be paid upon completion of the purifying or refining process. The tax-paid spirits may then be used alone or with other spirits of substantially the same kind in the manufacture of tax-exempt finished products under an approved formula and process. Impure or imperfect gin spirits which have been purified or refined and tax-paid upon completion of the purifying or refining process may be used with alcohol or neutral spirits in the manufacture of tax-exempt gin, notwithstanding that the purified or refined spirits retain traces of gin flavoring.

§ 190.472 *Use in manufacturing taxable rectified products.* Where the purified or refined spirits are to be used in the manufacture of taxable rectified products, the rectification tax on the purified or refined spirits must likewise be paid upon completion of the purifying or refining process, unless they are immediately transferred to a processing tank and compounded with other ingredients in the manufacture of such taxable rectified products under an approved formula and process that includes purifying or refining of the spirits and is continuous and unbroken, as defined in § 190.363, in which event the rectification tax will be due and payable only on the finished product. Where the purified or refined spirits are held for subsequent use, the process is not regarded as continuous, and rectification tax will be collected on the purified or refined spirits upon completion of the purifying or refining process, and also on the finished product.

BLENDING

§ 190.473 *Constitutes rectification.* The blending (mixing together) of two

or more heterogeneous spirits or wines constitutes rectification and, except as provided in this subpart, necessitates payment of the rectification tax of 30 cents per proof gallon.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.474 *Requirements.* All blending must be done according to an approved formula and process, and in designated processing tanks in the rectifying room. Upon completion of the blending, the blended spirits (unless such spirits are to be further aged or matured, or are to be held for a period for "marrying," as provided in § 190.533) must be promptly (a) drawn into packages, gauged, tax-paid (unless not subject to tax), stamped, and removed to the finished products room, or (b) transferred to a bottling tank, gauged, tax-paid (unless not subject to tax), and (1) bottled and removed to the finished products room or (2) conveyed by pipe line to a contiguous tax-paid bottling house or rectifying plant for bottling.

(Secs. 2800 (a) (5), 2861, I. R. C.)

BLENDING OF WINES

§ 190.475 *Tax-exempt blending.* The blending of tax-paid wines by rectifiers for the sole purpose of perfecting such wines according to commercial standards is, under the law, exempt from the rectifying tax of 30 cents per proof gallon. This exemption from rectification tax is held to apply only where the wines so blended are made from the same kind of fruit. The blending of wine made from one kind of fruit with wine made from another kind of fruit, as for example, the blending of blackberry wine with grape wine, constitutes taxable rectification.

(Sec. 2801 (c), I. R. C.)

§ 190.476 *Approval of formula and process required.* Where the rectifier desires to blend tax-paid wines for the sole purpose of perfecting such wines according to recognized commercial standards under exemption from the rectifying tax, he will, before commencing such blending, submit his formula and statement of process on Form 27-B Supplemental through the district supervisor for approval by the Commissioner as a tax-free blend. The rectifier will, in connection with the formula and process, show the kind and type of the wines to be blended, the respects in which they are to be perfected according to recognized commercial standards, and the kind and type of the blended product. The Commissioner or the district supervisor may require the submission of such additional information as he may deem necessary.

§ 190.477 *Taxable blending.* Any blending of wines by rectifiers, except for the sole purpose of perfecting such wines according to recognized commercial standards, as set forth in § 190.475, incurs the rectifying tax.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.478 *Additional wine tax.* Where the taxable grade of wine is increased by blending, additional gallonage wine tax must be paid on the resultant product representing the difference between

the tax originally paid on the wine and the tax due on the blended product, as provided in Subpart AA. For example, if 100 gallons of wine containing 20 percent alcohol, on which wine tax in the amount of \$60 has been paid, are blended with 100 gallons of wine containing 12 percent alcohol, on which wine tax in the sum of \$15 has been paid, making a total wine tax paid on the two wines of \$75, and the resultant product contains 16 percent alcohol, the wine tax on which would amount to \$120, additional wine tax of \$45 must be paid on the blended product, regardless of whether or not the 30-cent rectifying tax is incurred by the blending.

(Secs. 3030 (a), 3190, I. R. C.)

DERIVATION: T. D. 5004.

BLENDING OF STRAIGHT WHISKIES AND PURE FRUIT BRANDIES

§ 190.479 Exemption from tax. The rectifying tax of 30 cents per proof gallon does not attach to blends made exclusively of two or more pure straight whiskies aged in wood for a period of not less than four years and without the addition of coloring or flavoring matter or any other substance than pure water, and if not reduced below 90 proof, nor to blends made exclusively of two or more pure fruit brandies distilled from the same kind of fruit, aged in wood for a period not less than two years and without the addition of coloring or flavoring matter or any other substance than pure water and if not reduced below 90 proof: *Provided*, That the blending is done under the immediate supervision of the Government officer assigned to the plant or detailed to such duty by the district supervisor: *And provided further*, That the foregoing prohibition against the addition of coloring or flavoring matter shall not be construed to prevent the blending under the provisions of this part of pure fruit brandies otherwise eligible, to which a small quantity of burnt sugar has been added under the limitations prescribed in Regulations 5 (26 CFR Part 184).

(Sec. 2801 (c) (1), I. R. C.)

§ 190.480 Application for supervision. When a rectifier desires to blend two or more straight whiskies or two or more fruit brandies distilled from the same kind of fruit, under exemption from rectifying tax, he will make written application, in duplicate, to the Government officer assigned to the plant. The application will be accompanied by Form 122, in duplicate, properly executed, to show that it is desired to blend straight whiskies aged in wood for a period of not less than four years, or fruit brandies distilled from the same kind of fruit and aged in wood for a period of not less than two years, without payment of rectification tax.

(Sec. 2801 (c) (1), I. R. C.)

DERIVATION: T. D. 5542.

§ 190.481 Required data. The application must state, in addition to the data shown in Form 122, the dates when the whiskies or brandies were produced as to each package; the proof to which the blended whisky or brandy is to be re-

duced; and that no coloring, flavoring, or other substance will be added, except the quantity of pure water necessary to reduce the whisky or brandy to the desired proof.

(Sec. 2801 (c) (1), I. R. C.)

§ 190.482 Approval by officer. The Government officer will make the examination prescribed in § 190.483, and, if satisfied that the whiskies or brandies may be blended free of tax, he will execute his certificate and the approval statement on Form 122, and return both copies to the rectifier.

(Sec. 2801 (c) (1), I. R. C.)

DERIVATION: T. D. 5542.

§ 190.483 Officer's examination. The officer who is to supervise the blending will examine the records of the rectifier and the packages covered by the application to ascertain whether they contain straight whisky or fruit brandy and whether such whisky or brandy has been properly tax-paid and aged in wood for four years or more in the case of whisky, or two years or more in the case of brandy, and is in every respect eligible to be blended without payment of the rectification tax, as authorized by law. The officer will likewise examine the tank or tanks into which the whisky or brandy is to be dumped to insure that they do not contain any spirits, coloring, flavoring, or other substance.

(Sec. 2801 (c) (1), I. R. C.)

§ 190.484 Supervision of operations. After the officer has completed his examination of the whisky or brandy and the tanks and other equipment, and if satisfied in every respect, he will notify the rectifier that he may proceed with the blending. The officer will supervise the blending of the whiskies or brandies and the reduction of the proof thereof, and upon completion of same will note on each copy of the application that the whisky or brandy was blended and reduced in proof (if reduced) under his supervision, in accordance with the application. The Government officer will then deliver both copies of the application to the rectifier, who will attach a copy to each Form 122 covering the gauge of the spirits, retain one copy of Form 122 with a copy of the application attached, and forward the other copy to the district supervisor.

(Sec. 2801 (c) (1), I. R. C.)

§ 190.485 Bottling. If the blended whisky or brandy is to be bottled, an accurate gauge thereof in the bottling tank will be made and reported on Form 237, in duplicate if it is to be bottled directly from such bottling tank, and in triplicate if it is to be transferred to a contiguous tax-paid bottling house or rectifying plant for bottling. (See Subpart BB of this part.) The Government officer approving the form will note in the approval statement thereof "Exempt from tax under section 2801, I. R. C."

(Sec. 2801 (c) (1), I. R. C.)

§ 190.486 Packaging. If the blended whisky or brandy is to be drawn off into packages, an accurate gauge of each package will be made and the details thereof reported on Form 237, in tripli-

cate, as provided in Subpart BB. The Government officer approving the form will note in the approval statement thereof, "Exempt from tax under section 2801, I. R. C." The collector will issue class A (No money value) rectifier's stamps for the packages, and will note in the proper column of each copy of Form 237 the serial number of the stamp to be attached to each package.

(Secs. 2801 (c) (1), 2831, I. R. C.)

§ 190.487 Removal of blended whisky or brandy. Upon being bottled or packaged and stamped, the blended whisky or brandy must be immediately removed to the finished products room. Upon removal of the whisky or brandy to the finished products room, or the transfer thereof to a contiguous tax-paid bottling house or rectifying plant for bottling, Form 237 will be completed and disposed of as provided in Subpart BB of this part.

(Sec. 2801 (c) (1), I. R. C.)

§ 190.488 Failure to observe conditions. Any blending of such whisky or brandy without supervision of a Government officer as outlined in § 190.484, or with the addition of any coloring, flavoring, or other substance, or if reduced below 90 proof, will necessitate payment of the rectifying tax.

TAXABLE BLENDING OF SPIRITS

§ 190.489 Blending constitutes rectification. Except as provided in § 190.479, any blending of two or more heterogeneous spirits by a rectifier constitutes taxable rectification. For example, the dumping together of spirits produced by different distillers, or of different ages or blends or rectifications (except as provided in § 190.697), or which differ in kind according to the standards of identity established under the Federal Alcohol Administration Act (27 U. S. C. 205 (e), (f)), or which are not homogeneous, will constitute taxable rectification. Likewise, the dumping together of spirits stored in new charred cooperage with spirits stored in plain or reused cooperage, or the mixing of spirits that have been quick-aged or treated with wood chips with spirits not so processed, or the mixing of spirits that have been subjected to any treatment which changes their character with spirits not so treated, will constitute taxable rectification, unless it is established by chemical analysis or organoleptic examination that the composition of the spirits is the same, notwithstanding the storage in different kinds of cooperage or the treatment of a portion of the spirits.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.490 Dumping for convenience in bottling. The term "blending" shall not be construed to include the dumping together, for convenience in bottling, of distilled spirits within the descriptions and limitations specified in § 190.697. The spirits so dumped together must be, in fact, of the same composition or character and the purpose of the dumping must be solely for convenience in bottling. The regular dumping together of spirits of different ages, or different blends or rectifications, at the time of

bottling is indicative of blending (rectification), and will be made the subject of appropriate inquiry by the district supervisor to determine whether the mass of spirits dumped together is homogeneous with each of its component parts.

QUICK-AGING

§ 190.491 Constitutes rectification. The "quick-aging" of spirits by rectifiers constitutes rectification and necessitates payment of the rectifying tax.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.492 Quick-aging processes. The use of any physical or chemical process or any apparatus which accelerates the maturing of the spirits, such as the placing of wood chips in a barrel of whisky by a rectifier, or the application of heat in a barrel by means of a steam coil or other heating device, will subject the spirits to the rectifying tax of 30 cents per proof gallon. Where tax-paid spirits are artificially heated in any manner to a temperature above 80 degrees Fahrenheit, such action is regarded as heating the spirits for the purpose of accelerating the aging process, and will subject the spirits to the rectifying tax.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.493 Quick-aging containers. "Quick-aging" may be done by the rectifier pursuant to an approved formula and process only, either in the designated processing tanks or in portable containers, such as barrels and kegs, which need not be permanently marked as in the case of stationary processing tanks, but each such barrel or keg must be marked as provided in § 190.123.

§ 190.494 Quick-aging as part of rectifying process. Where spirits are blended, purified, or refined, or otherwise rectified, and then quick-aged, only one rectification tax will be incurred if the blending, purifying, refining, etc., and "quick-aging" are continuous and the quick-aging is a part of the approved formula and process. Where the process is not continuous and the approved formula and process do not include the quick-aging of the spirits, two rectification taxes must be paid, one at the time of blending, purifying, refining, etc., and another upon completion of the "quick-aging" process. For example, if spirits are blended in a processing tank and then drawn off into barrels which are immediately placed in the quick-aging room and subjected to a quick-aging process, the rectification tax need not be paid until the "quick-aging" process has been completed, provided such process is included in the approved formula and process. However, if spirits are blended and later "quick-aged," both operations not being continuous and not included in an approved formula and process, such procedure would constitute two processes of rectification and necessitate payment of the rectifying tax for each process.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.495 Completion of process. Upon completion of the approved process the spirits must be immediately (a) packaged, gauged, tax-paid, stamped,

and removed to the finished products room, or (b) transferred to a bottling tank, gauged, tax-paid, and (1) bottled and removed to the finished products room or (2) conveyed by pipe line to a contiguous tax-paid bottling house or rectifying plant for bottling.

(Secs. 2800 (a) (5), 2861, I. R. C.)

§ 190.496 Destruction of materials. Materials, such as wood chips, used in a quick-aging process must, upon removal from the process, be burned on the premises of the rectifying plant, or, if such burning is not practicable, treated with kerosene before removal from the premises. Where kerosene is used, it must be sprayed or sprinkled on the materials, using not less than 1 gallon of kerosene to each 100 pounds of materials, in such manner as to preclude the abstraction of potable spirits from any part of the materials after removal from the premises. This will be effected by stirring or agitating the materials while the kerosene is being applied. Such burning or treating of materials must be done under the supervision of a Government officer. The Commissioner may authorize any other disposition of the materials that will effectively prevent recovery of spirits therefrom.

(Secs. 2800 (a) (5), 2861, I. R. C.)

COMPOUNDING

§ 190.497 Constitutes rectification. The compounding of spirits or wines through the mixing of any coloring, flavoring, or other material (including carbon dioxide) with either distilled spirits or wines for sale as such, or as another product, such as a cordial or liqueur, constitutes rectification and necessitates payment of the rectifying tax thereon, except where cordials or liqueurs subject to tax under section 3030 (a), I. R. C., as provided in Subpart AA of this part, are manufactured. Compounding must be done in the rectifying room in the processing tanks or other suitable vessels appropriately marked (see Subpart I). Compounding must likewise be done in accordance with the formula and process submitted by the rectifier, as provided in Subpart S of this part.

(Secs. 2800 (a) (5), 2801 (c) (1), 3254 (g), I. R. C.)

§ 190.498 With fruits, berries, etc. The steeping or soaking of fruits, such as apricots, peaches, etc., or of berries, such as sloe berries, juniper berries, etc., or of aromatic herbs, roots, seeds, etc., in spirits or wines by rectifiers constitutes rectification and necessitates payment of the rectifying tax on the finished product.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.499 With sugar, caramel, essences, etc. The addition of sugar, dextrose, rock candy, or any sweetening materials, or of essences, extracts, or other flavoring materials, or of any coloring material, such as caramel, to spirits or wines by a rectifier, regardless of quantity, constitutes rectification and necessitates payment of the rectifying tax on the finished product, unless such

product is a liqueur or cordial subject to tax under section 3030 (a), I. R. C. (Secs. 2800 (a) (5), 2801 (c) (1), 3254 (g), I. R. C.)

§ 190.500 Mixing spirits and wine. The mixing or compounding of distilled spirits and wine with each other by a rectifier constitutes rectification and necessitates payment of the rectifying tax. Where the rectified product is classed as wine and the taxable grade of the wine is increased by the addition of the distilled spirits thereto, additional tax due on the wine according to its new grade must be paid as well as the rectification tax, as provided in Subpart AA. Likewise where the volume of the wine is increased, wine tax must be paid on the additional gallonage, as provided in § 190.501.

(Secs. 2800 (a) (5), 3030 (a), 3254 (g), I. R. C.)

§ 190.501 Increasing volume of wine. Where wine is treated or compounded at a rectifying plant by the addition of sugar or a sugar solution or other material thereto, and the volume of the wine is increased by such treatment, wine tax must be paid on the additional gallonage, plus the rectification tax on the entire quantity. If, however, the wine is so treated as to convert it into a distinct product other than wine and it is not sold as wine, no additional wine tax will be due.

(Sec. 3030 (a), I. R. C.)

§ 190.502 Artificial carbonation. The artificial carbonating of spirits or wines constitutes rectification and necessitates payment of the rectifying tax. Where spirits or wines are subjected to some other process of rectification and are immediately thereafter carbonated and bottled, only one rectification tax will be incurred for the entire process, if the carbonization is included in the formula and process submitted by the rectifier; but if the spirits or wines are subjected to a specified rectifying process and are later carbonated, such will necessitate the payment of the rectifying tax twice on the spirits or wines involved.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.503 Manufacture of distinct products. Where a distinct product is manufactured, such as vermouth, champagne or sparkling wine, or artificially carbonated wine, which is subject to tax under section 3030 (a), I. R. C., such tax must be paid in addition to the rectification tax: *Provided*, That the rectification tax shall not attach to liqueurs or cordials containing sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, fortified with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy, re-

spectively. (See Subpart AA of this part.)

(Sec. 3030 (a), I. R. C.)

§ 190.504 Manufacture of intermediate products. Where products, such as vermouth, blended whisky, compounded gin, etc., are compounded under an approved formula and process as an intermediate step in the manufacture of a specified finished product, such as a cocktail, sloe gin, etc., and such intermediate products are not made as finished products for sale but are retained in the processing room for use in further compounding under a specified process, tax will attach to the finished product only and not to the intermediate product. Where it is desired to manufacture an intermediate product for use in manufacturing a finished product with payment of tax on the finished product only, a separate formula and process must be filed for the intermediate product and for the finished product, and the intermediate product must be designated as such on the formula and process.

§ 190.505 Use of vermouth in manufacturing. Where tax-paid vermouth is mixed with distilled spirits or other liquors in the manufacture of a cordial, liqueur, or similar compound, such cordial, liqueur, or similar compound will be subject to the rectifying tax of 30 cents per proof gallon, but will not be taxable under section 3030 (a), I. R. C., unless it contains fortified wine of the kind described in § 190.503 in addition to that used in the manufacture of such tax-paid vermouth. If, however, the vermouth is compounded with such fortified wine as an intermediate step in the manufacture of the cordial, liqueur, or similar compound, the finished product will be taxable under section 3030 (a), I. R. C.; but in such event the vermouth will not be subject to tax as such nor will the rectification tax attach to the cordial, liqueur, or similar compound, provided the manufacturing operation is continuous and is conducted in accordance with the formula and statement of process submitted by the rectifier.

(Secs. 2800 (a) (5), 2801 (c) (1), 3030 (a), I. R. C.)

§ 190.506 Completion of process. Upon completion of the process of compounding or manufacturing where another product, such as a cordial or liqueur is made, the compounded liquor or product produced thereby must be tax-paid and removed to the finished products room or conveyed by pipe line to a contiguous tax-paid bottling house or rectifying plant for bottling. The proof-gallon content of such compounded liquors or products must be determined as set forth in Subpart BB of this part.

MANUFACTURE OF SPARKLING WINES

§ 190.507 Statement of process. Champagne and other sparkling wines may be manufactured by a rectifier from tax-paid domestic or imported wines. A statement of the exact process to be followed in manufacturing sparkling wines must be filed by the rectifier on Form 27-B Supplemental, as provided in Subpart S of this part, and ap-

plication made for extension of time in which to complete the process of manufacture, as provided in Subpart Z of this part. In view of the nature of the manufacturing process, a statement as to the approximate period of manufacture will be acceptable.

§ 190.508 Dumping of still wine. When the rectifier desires to dump still wine for bottling for champagne manufacture or for the manufacture of a sparkling wine of the champagne type by fermentation in bulk, he will submit Form 122, in duplicate, properly executed, to the Government officer for approval, and the same procedure will be followed as in the case of the dumping of wines for rectification by other processes.

DERIVATION: T. D. 5542.

§ 190.509 Storage during manufacture. The bottled wine will be kept in the champagne room during the process of manufacture into champagne or other sparkling wines, except that where the rectifying room is used exclusively for the manufacture of such wines, the bottled wine may be retained in the rectifying room during the manufacturing process.

§ 190.510 Records and reports. Where the sparkling wine is to be manufactured by secondary fermentation within the bottle, the rectifier will, upon bottling the still wine, prepare a special report on Form 702-A, in triplicate, properly modified as to the heading, and showing in Statement II the date, quantity, and alcoholic content of the still wines used and the number of bottles of each size filled. Form 702-A must be sworn to before an officer authorized to administer oaths: *Provided*, That if the form officially prescribed for such report contains therein a provision for verification by a written declaration that such report is made under the penalties of perjury, such report shall be verified by the execution of such declaration, and such declaration so executed shall be in lieu of the oath required herein for verification. The rectifier will retain one copy of Form 702-A and forward two copies to the district supervisor, who will keep one copy and forward one copy to the Commissioner. Thereafter, as long as sparkling wines are in the process of manufacture the rectifier will prepare a report thereof each month on Form 702-A, in triplicate, one copy of which will be retained at the rectifying plant and two copies forwarded to the district supervisor enclosed with the rectifier's monthly report, Form 45. The rectifier will also make appropriate entries on Form 45 of the manufacture and disposition of all sparkling wines produced.

(Secs. 2855, 3170, I. R. C.)

§ 190.511 Completion of process. Upon completion of the process of manufacture, Form 237, properly modified, will be promptly prepared in triplicate, the rectifying and sparkling wine taxes will be paid and the sparkling wine will be removed to the finished products room, as provided in Subpart BB of this part.

FILTERING

§ 190.512 Taxable filtration. Any filtering of distilled spirits or wines by rectifiers which purifies or refines and changes the composition or character of the spirits or wines constitutes rectification and necessitates payment of the rectifying tax of 30 cents per proof gallon. Such filtering must be done within the rectifying room and upon completion thereof the spirits or wines must be immediately (a) drawn into packages, gauged, tax-paid, stamped, and removed to the finished products room; or (b) transferred to a bottling tank, gauged, tax-paid, and (1) bottled and removed to the finished products room, or (2) conveyed by pipe line to a contiguous tax-paid bottling house or rectifying plant for bottling.

(Secs. 2800 (a) (5), 3251, 3254 (g), I. R. C.)

§ 190.513 Filtering out solid matter. Filtering which consists of merely removing foreign substances, such as particles of char, wood, or other extraneous solid matter which have got into the spirits or wines since manufacture, and which does not change the original character of the spirits or wines through removal of any congener substance, or change the composition, does not constitute rectification.

§ 190.514 Filtering out cloudiness. The filtering of whisky, brandy, or rum for the removal of cloudiness due to the presence of finely pulverized or agglutinated charcoal or other extraneous matter does not constitute rectification, provided there is no change in the original composition or character of the spirits. However, the filtering out of congener substances, thereby changing the composition and character of the spirits, will constitute rectification.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.515 Soluble matter held in solution. The use of filters and filter-aids which will remove, change, or modify soluble matter held in solution in the spirits, thereby changing the composition or character of the spirits, will subject the product to the rectifying tax. Whether filtering changes the composition of the spirits by removal or modification of matter in solution is a question of fact determinable by chemical analysis of the spirits before and after filtration. Where there is doubt whether the filtering changes the composition of the spirits, samples should be taken of the spirits both before and after filtering and submitted to the Bureau chemist for examination.

(Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.516 Filtering as part of rectifying process. Spirits may be purified or refined by filtering one or more times during the rectifying process without incurring more than one rectification tax, provided such filtering is done pursuant to an approved formula and process and the operation is continuous and unbroken. If the spirits or wines are subjected to a rectifying process and are then set aside, removed to the finished products room, etc., and later filtered in such a manner as to constitute rectification, such filtering will necessitate the payment of another rectifying tax on

the spirits or wines involved. Likewise, when the process of rectification has been completed any further filtering which purifies or refines the spirits or wines through the removal of any congeners, or which changes the original composition of the spirits or wines, will necessitate payment of another rectifying tax. (Secs. 2800 (a) (5), 3254 (g), I. R. C.)

§ 190.517 *Clarification of wine.* The clarification of wine on the premises of a rectifier by filtering, sedimentation, or the addition of isinglass or similar clarifying substance, which does not change the composition of the wine is permissible, and such manipulation only does not involve the rectifier in any additional tax.

OTHER PROCESSES

§ 190.518 *Must conform to regulations.* Other rectifying processes must be conducted in conformity with this part. District supervisors will inform themselves fully regarding each process of rectification employed by rectifiers in their districts and will see that such is in conformity with this part and that the proper tax is paid in each case. Where the district supervisor is in doubt as to any rectifying process or as to the incurrence of rectification tax, he will submit the matter to the Commissioner.

SUBPART Z—TIME FOR COMPLETION OF RECTIFICATION

§ 190.530 *General limitation.* The rectifying process must be completed within 10 days from the date of the dumping of the spirits for rectification, unless a longer period is authorized by the Commissioner as provided by this subpart.

§ 190.531 *Application required for extension.* Where the rectifier desires to employ a process of rectification which will extend over more than 10 days, thus necessitating the holding of the spirits in the rectifying room for such longer period, application, in quadruplicate, for approval of such extended process must be incorporated in the Form 27-B Supplemental, and filed with the district supervisor as provided in § 190.360. The rectifier must set forth fully on such form, following the statement of process, the reason why the period of time specified for completion of the process is necessary.

DERIVATION: T. D. 5681.

§ 190.532 *Inquiry by district supervisor.* Upon receipt of a Form 27-B Supplemental requesting approval of a process requiring more than 10 days for completion, the district supervisor will make such inquiry as he may deem proper to determine the necessity for the extended period, and whether approval thereof will jeopardize the revenue. He will then forward all copies of the Form 27-B Supplemental to the Commissioner along with his findings and recommendation. The Form 27-B Supplemental will be disposed of in the manner prescribed by § 190.365.

DERIVATION: T. D. 5681.

§ 190.533 *Processes which may require extension.* Processes involving the

steeping or macerating of fruits or herbs in spirits for flavoring may require more than 10 days for completion. The retention in the rectifying room of rectified spirits, such as blended whiskies, cordials, etc., for a reasonable period to permit "settling" or "marrying" may be authorized. Tax-exempt products, such as distilled gin, or blended 4-year-old straight whiskies, or blended 2-year-old pure fruit brandies, so held must be kept in closed tanks under Government lock.

SUBPART AA—COMMODITY TAXES ON RECTIFIED SPIRITS AND PRODUCTS

§ 190.545 *Rectification tax.* Section 2800 (a) (5), I. R. C., imposes a tax of 30 cents on each proof gallon, and a proportionate tax at a like rate on all fractional parts of a proof gallon, on all distilled spirits and wines rectified, purified, or refined, in such manner, and on all mixtures produced in such manner, that the person so rectifying, purifying, refining, or mixing the same is a rectifier. (See Subpart C of this part.)

(Sec. 2800 (a) (5), I. R. C.)

§ 190.546 *Exemption from rectification tax.* The tax of 30 cents per proof gallon does not attach to gin produced by the redistillation of a pure spirit over juniper berries and other aromatics; to the mixing and blending of wines, where such blending is for the sole purpose of perfecting such wines according to recognized commercial standards; to cordials or liqueurs on which a tax is imposed by section 3030 (a), I. R. C.; nor to blends made exclusively of two or more pure straight whiskies aged in wood for a period of not less than four years and without the addition of coloring or flavoring matter or any other substance than pure water, and if not reduced below 90 proof; nor to blends made exclusively of two or more pure fruit brandies distilled from the same kind of fruit, aged in wood for a period not less than two years and without the addition of coloring or flavoring matter or any other substance than pure water, and if not reduced below 90 proof: *Provided*, That such blended whiskies and blended fruit brandies are compounded under the immediate supervision of a revenue officer in such tanks and under such conditions and supervision as provided in Subpart Y of this part.

(Secs. 2800 (a) (5), 2801 (c) (1), I. R. C.)

§ 190.547 *Vermouth.* Vermouth made at a rectifying plant, which is subject to the rectification tax of 30 cents per proof gallon imposed by section 2800 (a) (5), I. R. C., is in addition thereto subject to the tax imposed upon vermouth by section 3030 (a) (1), as amended by section 1650, I. R. C., which tax is as follows:

(a) On vermouth containing not more than 14 per centum of absolute alcohol, 15 cents per wine gallon, the per centum of alcohol to be reckoned by volume and not by weight;

(b) On vermouth containing more than 14 per centum and not exceeding 21 per centum of absolute alcohol, 60 cents per wine gallon;

(c) On vermouth containing more than 21 per centum and not exceeding

24 per centum of absolute alcohol, \$2.00 per wine gallon;

(d) All vermouth containing more than 24 per centum of absolute alcohol by volume (except vermouth containing tax-paid sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, fortified, respectively, with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy) shall be classed as distilled spirits and shall be taxed accordingly.

(Secs. 1650, 2800 (a) (5), 3030 (a) (1), I. R. C.)

DERIVATION: T. D. 5004.

§ 190.548 *Liqueurs, cordials, etc., taxable under section 3030 (a) (2), I. R. C.* Section 3030 (a) (2), as amended by section 1650, I. R. C., imposes a tax on certain products of rectification, as follows: On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, fortified, respectively, with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy, ten cents on each one-half pint or fraction thereof. Liqueurs, cordials, and similar compounds on which a tax is imposed and paid under section 3030 (a) (2), as amended by section 1650, I. R. C., are exempt from the 30-cent rectification tax. By "liqueurs, cordials, or similar compounds" is meant those products that contain not less than 2½ percent by weight of sweetening material and possess the taste, aroma, and characteristics generally attributed to liqueurs and cordials.

(Secs. 1650, 3030 (a) (2), I. R. C.)

DERIVATION: T. D. 5004.

§ 190.549 *Liqueurs, cordials, etc., taxable under section 2800 (a) (5), I. R. C.* Liqueurs, cordials, and similar compounds prepared with distilled spirits or with wines which are not fortified with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy, or which are prepared with distilled spirits and such wines, are subject to the rectification tax of 30 cents per proof gallon imposed by section 2800 (a) (5), I. R. C., but are not taxable under section 3030 (a) (2), I. R. C.

(Secs. 2800 (a) (5), 3030 (a) (2), I. R. C.)

§ 190.550 *Carbonated and sparkling wines.* The carbonating of tax-paid wines, either by secondary fermentation

of the wine within the bottle or container or by charging the wine artificially with carbon dioxide, must be done at a rectifying plant. The carbonated wine is subject to the rectification tax of 30 cents per proof gallon, and, in addition thereto, the tax imposed by section 3030 (a) (2), as amended by section 1650, I. R. C., upon sparkling wine, or artificially carbonated wine, as the case may be, must be paid. This tax is as follows:

(a) On each bottle or other container of champagne or sparkling wine, 15 cents on each one-half pint or fraction thereof;

(b) On each bottle or other container of artificially carbonated wine, 10 cents on each one-half pint or fraction thereof;

(c) Any of the foregoing articles containing more than 24 per centum of absolute alcohol by volume shall be classed as distilled spirits and shall be taxed accordingly.

(Secs. 1650, 3030 (a) (2), I. R. C.)

DERIVATION: T. D. 5004.

§ 190.551 *Gin*. Gin produced by a rectifier is exempt from the rectification tax of 30 cents per proof gallon only if produced by the redistillation of a pure spirit over juniper berries and other aromatics. If gin is otherwise produced or compounded, a rectification tax of 30 cents per proof gallon must be paid thereon. (See Subpart Y of this part.)

(Sec. 2800 (a) (5), I. R. C.)

§ 190.552 *Blended wines*. Any blending of tax-paid wines by rectifiers, except the blending of domestic tax-paid wines for the sole purpose of perfecting such wines according to recognized commercial standards, subjects the resultant product to the 30-cent rectification tax. Where the taxable class of wine is increased by blending wines with each other, additional wine tax due on the blended wines must be paid, regardless of whether or not the 30-cent rectification tax is incurred by such blending. This additional wine tax represents the difference between the wine tax due on the blended wine under its new classification and the tax previously paid on the wines used for such blending. Section 3030 (a) (1), as amended by section 1650, I. R. C., imposes a tax upon all still wines, and all artificial or imitation wines or compounds sold as still wine, at the following rates:

(a) On wines containing not more than 14 per centum of absolute alcohol, 15 cents per wine gallon, the per centum of alcohol to be reckoned by volume and not by weight;

(b) On wines containing more than 14 per centum and not exceeding 21 per centum of absolute alcohol, 60 cents per wine gallon;

(c) On wines containing more than 21 per centum and not exceeding 24 per centum of absolute alcohol, \$2.00 per wine gallon;

(d) All such wines containing more than 24 per centum of absolute alcohol by volume shall be classed as distilled spirits and shall be taxed accordingly.

(Secs. 1650, 3030 (a) (1), I. R. C.)

DERIVATION: T. D. 5004.

§ 190.553 *Compounded wines*. Except as provided in § 190.548, any rectifying, mixing, or compounding of tax-paid wine with tax-paid distilled spirits subjects the resultant product to the 30-cent rectification tax; and where the taxable class of wine is increased by the addition of distilled spirits thereto, additional tax due on the wine under its new classification must be paid as well as the rectification tax. (See Subpart Y of this part.)

(Secs. 2800 (a) (5), 3030 (a) (1), I. R. C.)

§ 190.554 *Increase in volume of wine*. Where the volume of wine is increased by the addition of sugar or a sugar solution or other material thereto, wine tax must be paid on the additional gallonage, plus the rectification tax on the entire quantity. (See Subpart Y of this part.)

(Secs. 2800 (a) (5), 3030 (a) (1), I. R. C.)

§ 190.555 *Distinct products*. Where the rectifying, mixing, compounding, or blending of wine results in the manufacture of a distinct product, such as vermouth or sparkling wine, the tax imposed upon such product must, as provided in §§ 190.547 and 190.550, be paid in addition to the rectification tax. (See Subpart Y of this part.)

(Secs. 2800 (a) (5), 3030 (a), I. R. C.)

SUBPART BB—GAUGE, RETURN, AND TAX-PAYMENT OF RECTIFIED SPIRITS

GAUGE OF RECTIFIED SPIRITS

§ 190.565 *Transfer to packages or bottling tank*. Rectified spirits will, upon completion of the process of rectification, be transferred to packages of a capacity of more than 1 wine gallon and not exceeding 130 proof gallons, or to a bottling tank, and gauged therein, except as provided in § 190.575 in the case of certain special products, and in § 190.620 in the case of certain wines, cordials and liqueurs.

(Sec. 2861, I. R. C.)

§ 190.566 *Adjustment of proof*. The proof of rectified spirits shall be adjusted to a whole degree of proof in accordance with the provisions of the Gauging Manual (26 CFR, Part 186) preparatory to filling barrels or bottles. Adjusting the proof to tenths of a degree, either above or below the whole or complete degree, will not be permitted: *Provided*, That when spirits are being prepared for bottling and are to be bottled and labeled in tenths of a degree of proof, such as 88.4, the proof of the spirits shall be adjusted to such tenths of a degree of proof. The proof in each instance shall be verified as to accuracy by the Government officer.

(Sec. 2861, I. R. C.)

DERIVATION: T. D. 5463.

§ 190.567 *Filling of packages*. When filling packages of rectified spirits, the rectifier will determine the weight (tare) of the empty package immediately preceding the filling of the same. When the package has been filled, the gross weight will be ascertained and the net weight determined by subtracting the tare from the gross weight. The rectifier will mark such data on the pack-

ages in accordance with § 190.797. The storekeeper-gauger shall verify the gross weight, tare, net weight, wine gallons, proof, and proof gallons marked on each package by comparison with Form 237, and shall satisfy himself as to the accuracy of the marks and brands, and stamps. All mechanical labor pertaining to the weighing and marking of packages shall be performed by the rectifier.

(Sec. 2861, I. R. C.)

§ 190.568 *Preparation of statement of composition*. Where rectified spirits are to be removed for bottling elsewhere, the rectifier shall prepare a statement of composition identifying the spirits and providing such information as will, in conjunction with the information shown on the packages, or on Form 237 covering pipe line transfer, permit verification of the label proposed to be used in bottling. The statement must include all pertinent information which is mandatory on the label for the particular product, for example, the presence or absence of flavoring material, artificial coloring, treatment with oak chips, quick-aging, etc. Such statement shall be signed by the rectifier and delivered to the storekeeper-gauger in charge, who, if he finds the spirits properly described, shall certify thereto by signing his name and title under the word "Verified." The statement shall be returned to the rectifier for forwarding to the purchaser of the spirits or to the proprietor of the premises where the spirits are to be bottled.

§ 190.569 *Determining proof of unsweetened spirits*. The proof of distilled spirits and rectified spirits to which saccharine or other solid matter has not been added will be determined by the use of a standard hydrometer set provided by the rectifier in accordance with Subpart R of this part. In connection with the use of such instruments, rectifiers must provide themselves with the official Gauging Manual (26 CFR, Part 186) and follow closely instructions therein relative to the gauging of spirits.

(Sec. 2861, I. R. C.)

§ 190.570 *Determining proof of sweetened spirits, wines, etc.* The alcoholic content of blended whiskies containing more than 0.6 gram or 600 milligrams of solids per 100 milliliters derived from blending materials such as sherry wine, prune juice, caramel, glycerine, etc., and of wines, cordials, liqueurs, and other rectified products containing saccharine or other solid matter will be determined by the use of an approved ebulliometer or a small laboratory still provided by the rectifier in accordance with Subpart R of this part. When using such instruments rectifiers must follow closely the instructions furnished therewith in order that accurate determinations may be made. Instructions relative to the use of small laboratory stills (or wine sets) and the following ebulliometers: Arnaldo-Sala (with shield), Braun, Juerst, Lefco, L'Ebulliometer Levesque (with shield), Malligand (with shield), Salleron-Dujardin, "TAG" (with shield), and E. B. Torino (with shield), are also set forth in Regulations 7 (26 CFR, Part 178).

The alcoholic content of blended spirits containing not more than 0.6 gram or 600 milligrams of solids per 100 milliliters derived from blending materials will be determined by the use of a standard hydrometer or a small still. If determined by a standard hydrometer an obscuration correction factor may be added to the apparent proof in order to obtain the true proof of the blended spirits. Experience has shown that 0.1 gram or 100 milligrams of solids per 100 milliliters will obscure the true proof 0.4 of 1° of proof. For example, if a blended whisky contains 0.25 gram or 250 milligrams of solids per 100 milliliters and the apparent proof corrected to 60° Fahrenheit is found to be 89° proof by a standard hydrometer, a correction factor of 1° of proof (2.5 times 0.4) due to the solids may be added to the apparent proof, hence the true proof would be 90°. The solids in blended spirits due to blending materials will be determined by evaporating 25 milliliters of the blended spirits in a weighed dish on a steam bath and then heating for 30 minutes at the temperature of boiling water in a drying oven. The solids thus determined, multiplied by 4, will give the solids in 100 milliliters of blended spirits. The correction factor to be used then will be determined on the basis that every 100 milligrams of solids will obscure the proof 0.4 of 1° of proof. The ebulliometer should not be used in determining the alcoholic content of blended spirits containing not more than 0.6 gram or 600 milligrams of solids per 100 milliliters.

(Sec. 2861, I. R. C.)

DERIVATION: T. D. 5573.

§ 190.571 *Determining contents by weight.* Rectified spirits containing not more than 0.6 gram or 600 milligrams of saccharine or other solid matter per 100 milliliters which are transferred to portable packages or to a bottling tank mounted on scales may be gauged by weight in accordance with the Gauging Manual (26 CFR, Part 186). To this end accurate scales must be provided. Government officers will frequently test, by means of the test weights provided in accordance with § 190.117, the accuracy of the scales used for weighing packages. Scales used for weighing spirits in lots of not over 500 gallons in bottling tanks will be tested from time to time under the supervision of the storekeeper-gauger by means of the test weights provided in accordance with § 190.117. Such scales will be tested by placing the prescribed test weights upon the scales and checking the weight registered on the beam of the scales. The test weights will then be removed without disturbing the beam and the bottling tank filled with spirits or water to the same weight, whereupon the test weights will again be placed upon the scales, the spirits or water being retained in the tank, and the weight registered on the beam checked. This operation will then be continued until the scales have been checked in 500-pound notches at all weights for which the scales are used. Rectifiers will have scales used for weighing spirits in larger lots tested and their accuracy certified

by State, county, or city departments of weights and measures at intervals of not more than six months. The storekeeper-gauger will not permit the use of any scales not so tested or which upon testing are found to be inaccurate.

DERIVATION: T. D. 5573.

§ 190.572 *Determining contents by measure.* Rectified spirits transferred to a bottling tank not mounted on scales, and spirits, wines, cordials, liqueurs, and other rectified products containing saccharine and other solid matter will be gauged by measure to determine the wine-gallon content, corrected to volume in accordance with the provisions of the Gauging Manual (26 CFR, Part 186); the proof-gallon content will then be determined by multiplying the wine-gallon content by the proof (pointed off in two decimal places) of the spirits. If the spirits, wines, cordials, liqueurs, and other rectified products containing saccharine or other solid matter are transferred to packages, the capacity of each package must be ascertained before the liquors are placed therein, or the quantity to be placed in each package must first be ascertained by actual measure in another vessel provided for that purpose: *Provided, however,* That the quantity in wine gallons of any liquor placed in packages may be determined by weight if the specific gravity of the liquor is ascertained and used in calculating the volume.

DERIVATION: T. D. 5573.

§ 190.573 *Accuracy required.* The proof of spirits, wines, or other liquors transferred to packages or bottling tanks at rectifying plants, and the wine-gallon and proof-gallon contents of the containers must be accurately determined by the rectifier. Where the actual proof of the contents of a container is found upon test to differ from the proof marked on the container, or where a package is found to contain a larger number of proof or wine gallons than is shown by the markings thereon, the container or package is liable to detention or seizure and forfeiture. When rectified spirits and products are gauged for tax-payment, the Government officer will verify the proof or alcoholic content and the quantity on which the tax is to be paid. Since the amount of tax to be paid on the spirits is determined by the proof-gallon content thereof, the officer should use care in verifying the proof, the weight or measure, and the wine-gallon and proof-gallon contents.

(Secs. 2804, 2861, I. R. C.)

§ 190.574 *Preparation of Form 237.* Form 237 will be prepared by the rectifier covering the gauge of each package or bottling tank filled with rectified spirits or products. All of the information called for on Form 237, as indicated by the headings of the various columns and lines on the form, and the printed instructions printed thereon or issued in respect thereto, and as required by this Part, will be given. Each Form 237 will be given a serial number beginning with 1 for the 1st day of January of each year and running consecutively thereafter to December 31.

RETURN OF SPECIAL PRODUCTS

§ 190.575 *Exemption from processing or bottling requirements.* Where by reason of unusual processes employed in the rectification and bottling of special products, such as sparkling wines, rock and rye, gin ricky, etc., it is impracticable to manufacture the products in processing tanks equipped with glass gauges or other measuring devices, or to bottle the same from bottling tanks so equipped, the Commissioner may exempt the rectifier from such processing and bottling requirements.

§ 190.576 *Application.* Rectifiers desiring to manufacture or bottle such special products under exemption from the regular processing or bottling requirements must file application for such exemption, in triplicate, with the district supervisor, setting forth in detail with respect to each such product the process of manufacture or bottling to be employed, and the necessity therefor.

§ 190.577 *Action on application.* Upon receipt of the application, the district supervisor will make appropriate inquiry and will then forward all copies of the application to the Commissioner, with his findings and recommendation. The Commissioner will indicate his approval or disapproval on all copies of the application and will return two copies to the district supervisor; who will retain one copy and forward the other copy to the applicant.

§ 190.578 *Form 237, modified.* In any case in which such exemption is granted and it is impracticable to gauge the spirits and pay the tax prior to bottling in the usual manner, the tax shall be computed and paid on the contents of the bottles. When so bottled prior to tax-payment, Form 237, modified to fit the circumstances, will be prepared for each lot of such bottled special products upon completion of the bottling, except that where manufacture is completed after bottling, as in the case of champagne, Form 237 will be prepared upon completion of manufacture.

PAYMENT OF RECTIFICATION TAX

§ 190.579 *Form 237.* Where rectified spirits are subject to the rectification tax of 30 cents per proof gallon and are to be tax-paid in packages, Form 237 will be prepared in triplicate. Where rectified spirits are subject to the rectification tax of 30 cents per proof gallon and are to be tax-paid in a bottling tank, Form 237 will be prepared in duplicate, except that an extra copy will be made where the transfer of spirits by pipe line to a contiguous tax-paid bottling house or rectifying plant is authorized, as provided in Subpart DD of this part. In computing the rectification tax, all fractional parts of a proof gallon less than five-hundredths shall be dropped, and fractional parts of five-hundredths or more shall increase the fractional part to the next tenth.

§ 190.580 *Inspection and approval by officer.* All copies of Form 237 will be submitted by the rectifier to the Government officer assigned to the rectifying

plant, who will then inspect the rectified spirits. If, after inspection of the rectified spirits and verification of the entries on Form 237, the officer finds the details are correctly given on the form, and that the Form 237 covers lawful tax-paid spirits, he will, after ascertaining from the approved formula the rate of tax applicable, note his approval on each copy of the form and the tax rate to which the spirits are subject. He will then return all copies of the Form 237 to the rectifier.

DERIVATION: T. D. 5542.

§ 190.581 *Remittance of tax for packages.* Except as provided in § 190.584, for the tax-payment of spirits and wines in packages filled especially for export with benefit of drawback, if the rectified spirits are to be tax-paid in packages, the rectifier shall, upon receipt of Form 237, duly approved, forward all copies to the collector with remittance for the tax due on the spirits. The remittance shall be in the form set forth in § 190.717.

DERIVATION: T. D. 5598.

TAXABLE PRODUCTS IN PACKAGES

§ 190.582 *Spirits.* If Form 237 covers spirits (not including wines) in packages (barrels, kegs, or other containers holding more than 1 wine gallon and not exceeding 130 proof gallons each), the collector will issue a class B rectified spirits stamp, with proper coupons attached, for each package and will enter the serial numbers of the stamps in the proper column of Form 237, opposite the package for which the stamp is issued. The collector will retain one copy of Form 237 as his authority for issuing the stamps, and will return the other two copies to the rectifier with the stamps. The rectifier will immediately affix the stamps to the packages and cancel the same and mark the packages, as required by Subparts GG and II of this part. The Government officer will see that the proper tax-paid stamp is securely affixed to each package and canceled and that the package is properly marked. When the packages have been properly stamped and marked, the rectifier will remove them to the finished products room and mark on each copy of Form 237 the date of such removal. The rectifier will then forward one copy of the form to the district supervisor and will retain one copy on file at the plant, available for inspection by Government officers.

(Secs. 2861, 2862, I. R. C.)

§ 190.583 *Wines.* If Form 237 covers wines, the collector will execute the collector's certificate of tax-payment on each copy of Form 237, retain one copy for his files, and return the other two copies to the rectifier, who will immediately stencil the words "Rectification Tax Paid" on each package, mark the packages as required by Subpart II of this part, and remove them to the finished products room. The rectifier will then note on each copy of Form 237 the date of such removal, and will forward one copy of the form to the district supervisor, and retain one copy on file at the plant available for inspection by Government officers.

§ 190.584 *Spirits packaged especially for export with benefit of drawback.* If Form 237 covers spirits, wines, cordials, or liqueurs drawn into barrels, casks, drums, or other approved containers, containing not less than 5 wine gallons, especially for export with benefit of drawback, the rectifier shall, upon receipt of Form 237, duly approved, cancel the necessary stamps in the exact amount of the tax due in the manner provided by § 190.718. He shall then attach the stamps to Form 237 and return all copies to the Government officer. The Government officer shall complete the cancellation of the stamps as provided by § 190.718 and shall execute the certificate on Form 237 evidencing the receipt and cancellation of stamps for the amount of taxes due. He shall then return all copies of the Form 237 and the canceled stamps to the rectifier who shall stencil the words "Rectification Tax Paid" on each package, attach the canceled stamps to the original of the Form 237 by means of staple, eyelet or similar device and forward the original and the additional copy of the Form 237 to the district supervisor.

DERIVATION: T. D. 5598.

TAXABLE PRODUCTS TO BE BOTTLED

§ 190.585 *Tax-payment.* If Form 237 covers spirits in a bottling tank to be bottled, or wines, cordials, or liqueurs to be bottled in the wine bottling room from the processing receptacle in which compounded, the rectifier will, upon receipt of Form 237, duly approved, cancel the necessary stamps in the exact amount of the tax due in the manner provided by § 190.718. He will then attach the stamps to Form 237 and return all copies to the Government officer. The Government officer will complete the cancellation of the stamps as provided by § 190.718 and will execute the certificate on Form 237 evidencing the receipt and cancellation of stamps for the amount of taxes due. He will then return all copies of Form 237 and the canceled stamps to the rectifier, who will attach the canceled stamps to the original of Form 237 by means of a staple, eyelet, or similar device, and attach one copy of the form to the board provided therefor on the bottling tank, or to the door of the wine bottling room, as the case may be. The spirits will be bottled in accordance with the procedure prescribed in Subpart CC of this part.

DERIVATION: T. D. 5542.

§ 190.586 *Disposition of Form 237 and stamps.* Upon the completion of the bottling, the rectifier will execute the certificate of cases filled on all copies of Form 237, sign each copy and submit same to the Government officer, who will, after proper verification, sign and date the verification in the space provided therefor. The bottling tank or wine bottling room copy of the form will be retained in the rectifying plant available for inspection by Government officers. The rectifier will immediately forward the completed original and stamps to the district supervisor.

DERIVATION: T. D. 5542.

TAXABLE SPIRITS TO BE TRANSFERRED BY PIPE LINE TO CONTIGUOUS TAX-PAID BOTTLING HOUSE OR RECTIFYING PLANT

§ 190.587 *Certificate of tax-payment.* If Form 237 covers spirits in a bottling tank to be transferred by pipe line to a contiguous tax-paid bottling house or rectifying plant, the procedure for tax-paying the spirits will be the same as where the spirits are to be bottled from a bottling tank. The extra copy of the form specified by § 190.579 will be attached after completion to Form 230 on the bottling tank in the contiguous tax-paid bottling house or rectifying plant, as evidence that the proper tax on the spirits therein has been paid. The spirits will be transferred in accordance with the procedure prescribed in Subpart DD of this part.

DERIVATION: T. D. 5542.

§ 190.588 *Disposition of Form 237.* Upon completion of the transfer of rectified spirits to the tax-paid bottling house or rectifying plant, there shall be entered on all copies of Form 237 a statement that the spirits described on such form have been transferred by pipe line to bottling tank No. ... in the contiguous tax-paid bottling house or rectifying plant operated by ... together with the date of such transfer and the serial number of the Form 230, prepared by the receiving proprietor, to which the extra copy of Form 237, prepared by the rectifier, is to be attached. After execution of such statement, the rectifier will submit all copies of the form to the Government officer, who will, after proper verification, sign and date the verification in the space provided therefor. The rectifier will retain his bottling tank copy of Form 237 at the rectifying plant, available for inspection by Government officers, will immediately furnish a copy of Form 237 to the proprietor of the tax-paid bottling house or rectifying plant to which the spirits are transferred, and will immediately forward the original copy of Form 237 with the canceled stamps to the district supervisor.

TAXABLE SPECIAL PRODUCTS

§ 190.589 *Certificate of tax-payment.* Where the Commissioner has exempted the rectifier from the usual processing and bottling requirements in connection with the manufacture of champagne or other sparkling wines, artificially carbonated wines, or other special products, as provided in § 190.575, and it is impracticable to gauge the spirits and pay the tax prior to bottling in the usual manner, the 30-cent rectification tax will be paid upon completion of the bottling or, if the bottling is only a step in manufacture, upon completion of the manufacture. The rectifier will prepare Form 237, in duplicate, modified to fit the circumstances, and the same procedure will be followed in paying the tax as that prescribed in the case of products to be bottled from bottling tanks. Upon receipt of Form 237 from the Government officer with his certificate of tax-payment executed, and upon payment of the tax due (if any) under section 2030 (a), I. R. C., as provided in § 190.598, the

products will be removed to the finished products room.

DERIVATION: T. D. 5542.

§ 190.590 Disposition of Form 237. Upon removal of the product to the finished products room, the rectifier will enter on each copy of Form 237 a statement that the product described on the form has been tax-paid and removed to the finished products room. The rectifier will sign each copy of Form 237 and submit same to the Government officer, who will, after proper verification, sign and date the verification in the space provided therefor, and return both copies to the rectifier. The rectifier will then forward the original copy of Form 237 with the canceled stamps to the district supervisor and retain one copy on file at the plant, available for inspection by Government officers.

DERIVATION: T. D. 5542.

PARTIALLY RECTIFIED, TAXABLE PRODUCTS

§ 190.591 Determination of tax liability. Where the rectifier desires to remove partially rectified, taxable products, the taxes due thereon must be paid prior to removal of the products from the rectifying room, in the same manner as completely rectified products are tax-paid. If the partially rectified products are such as are subject to tax under section 3030 (a), I. R. C., in lieu of or in addition to the rectification tax, the rectifier must append to each copy of Form 237 a precise statement as to the extent to which the products have been rectified and as to their present character, in order that the taxes due thereon may be determined. Products subject to tax under section 3030 (a), I. R. C., in lieu of the rectification tax will be so tax-paid, unless the process of manufacture has not been sufficiently completed to bring them within the classification of such articles, in which event the products will be subject to the rectification tax. If the products are such as to be subject to both the rectification tax and tax under section 3030 (a), I. R. C., both such taxes must be paid, unless the process of manufacture has not been sufficiently completed to bring them within the classification of such articles, in which event they will be subject to the rectification tax only. The Government officer will verify the extent of rectification and the present character of the partially rectified products and will forward the Forms 237 with his report to the district supervisor. If the district supervisor is in doubt as to the amount of tax due on the products, he will submit the matter to the Commissioner for a ruling.

§ 190.592 Stamping and marking packages. Where partially rectified products, subject to the rectification tax, are transferred to packages for removal, the rectification tax due thereon will be paid pursuant to Form 237, and class B rectified spirits stamps will be issued for and affixed to the packages of spirits and the words "Rectification Tax Paid" will be stenciled on packages of wine, in accordance with the procedure prescribed in this subpart in the case of the tax-payment of completely rectified spirits and wines in packages. If

the products are not subject to rectification tax, class A rectified spirits stamps will be issued for and affixed to the packages of spirits and the words "Rectification Tax Exempt" will be stenciled on packages of wine. If the products are subject to tax under section 3030 (a), I. R. C., wine stamps will be affixed to the packages. The packages will be marked as provided in Subpart II of this part, and, if shipped to another rectifier for further rectification, there will be securely affixed to the Government head of each package a label showing that the product is partially rectified, the formula under which the product was partially rectified, and the extent to which the product has been treated.

(Secs. 2861, 2862, I. R. C.)

§ 190.593 Transfer to another rectifier. Where partially rectified, taxable products are transferred to another rectifying plant, after tax-payment in accordance with § 190.591, they will, upon receipt at the receiving plant, be placed in the receiving room of such plant and dumped for further rectification or for bottling, pursuant to approved Forms 122 or Forms 230, as the case may be. Where the products are subjected to any further rectifying treatment or process at the receiving plant, additional rectification tax must be paid thereon. *Provided, however,* That where the product manufactured by the additional rectifying process is subject to tax under section 3030 (a), I. R. C., in lieu of the rectification tax, and the tax levied by such section was not paid on the product at the time of removal from the first rectifying plant, tax will be paid under such section in lieu of the rectification tax. If tax was paid on the products under section 3030 (a), I. R. C., either in lieu of or in addition to the rectification tax, at the time of partial rectification and the products are subjected to further rectification at the receiving plant, a second rectification tax must be paid thereon.

§ 190.594 Transfer to successor. Where the rectifier desires to transfer partially rectified products to a successor at the same premises, the procedure prescribed in Subpart OO of this part will be followed.

PRODUCTS EXEMPT FROM RECTIFICATION TAX

§ 190.595 Spirits and wines in packages. Where the rectified spirits or products (not including wines) are not subject to the 30-cent rectification tax and are filled into packages, Form 237 will be prepared in triplicate and the same procedure will be followed as in the case of such spirits or products subject to the rectification tax, except that the officer approving the form will, if the spirits or products are exempt from tax, make the notation "No tax due" on each copy, the rectifier will send no remittance to the collector when submitting the approved forms to him, and the collector will issue no-value class A rectified spirits stamps for the packages. The same procedure will be applicable where the rectifier desires to remove tax-free blended wines in packages, except that Form 237 will be prepared in duplicate

and in lieu of forwarding such form to the collector for the issuance of no-value class A stamps, the rectifier will stencil the words "Rectification Tax Exempt" on each package.

(Secs. 2861, 2862, I. R. C.)

§ 190.596 Approval of bottling tax-exempt products. Where rectified spirits or products are not subject to the 30-cent rectification tax and are transferred directly to a bottling tank for bottling or to the wine bottling room for bottling from the processing receptacle in which compounded, as provided in Subpart CC of this part, Form 237 will be prepared in duplicate, and the same procedure will be followed as in the case of bottling of spirits or products subject to the rectification tax, except that the officer approving the form will, if the spirits or products are exempt from tax, make the notation "No tax due" on each copy, and none of the forms will be sent to the collector.

§ 190.597 Approval of pipe line transfer of tax-exempt products. Where rectified spirits or products are not subject to the 30-cent rectification tax and are transferred directly to a bottling tank for conveyance by pipe line to a contiguous tax-paid bottling house or rectifying plant for bottling, Form 237 will be prepared in triplicate and the same procedure will be followed as in the case of the transfer by pipe line to a contiguous tax-paid bottling house or rectifying plant of products subject to the rectification tax, except that the officer approving the form will, if the products are exempt from tax, make the notation "No tax due" on each copy, and none of the forms will be sent to the collector.

PAYMENT OF TAX UNDER SECTION 3030 (A), I. R. C.

§ 190.598 Time of payment. Where rectified products subject to tax under section 3030 (a), I. R. C., in lieu of, or in addition to, the 30-cent rectification tax are manufactured, the taxes due under section 3030 (a), I. R. C., will be paid as provided in § 190.309. The 30-cent rectification tax, if due, will be paid in accordance with the procedure prescribed in §§ 190.579-190.584.

DERIVATION: T. D. 5542.

§ 190.599 Payable by use of wine stamps. Wine stamps will be used for the payment of taxes due under section 3030 (a), I. R. C., and for the payment of any additional wine tax due by reason of a change in the taxable grade of wine, or by an increase in the volume of wine, as provided in this part. Such stamps will be canceled and attached to the original copy of Form 237 in the manner provided in § 190.585.

(Sec. 3030 (a), (b), I. R. C.)

DERIVATION: T. D. 5542.

SUBPART CC—BOTTLING OF RECTIFIED SPIRITS AND PRODUCTS

§ 190.615 Bottling tank to be used. Except as provided in §§ 190.575 and 190.620, all rectified spirits or products to be bottled will be transferred to an approved bottling tank and an accurate gauge thereof made and reported on

Form 237, as provided in Subpart BB of this part. Rectified spirits and products may be bottled only after approval of Form 237 by the Government officer assigned to the rectifying plant, and, if the spirits and products are subject to the rectification tax, upon payment of such tax as provided by §§ 190.585-190.598.

DERIVATION: T. D. 5542.

§ 190.616 *Request to open inlet of bottling tank.* When a rectifier desires to transfer spirits to a bottling tank, and the inlet thereof is locked, he will request the Government officer to unlock the inlet of the tank to permit the transfer of the spirits thereto. Where a Government officer is not assigned to continuous duty at the rectifying plant, and is not available, the rectifier will request the district supervisor to detail an officer to the duty.

§ 190.617 *Transfer of spirits to bottling tank.* At the time of unlocking the inlet of the bottling tank, the Government officer will lock the outlet thereto, which must remain locked until the spirits have been transferred to the bottling tank, the inlet locked, the quantity of spirits in the bottling tank determined, Form 237 prepared and approved, and the rectification tax and tax due under section 3030 (a), I. R. C., if any, paid in accordance with the procedure prescribed in Subpart BB of this part.

(Secs. 3030 (a), 5542, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.618 *Release of spirits from tank.* Upon presentation by the rectifier of Form 237 in the case of spirits subject to rectification tax, and upon conformance with the tax-payment procedure prescribed by § 190.585, the Government officer will unlock the outlet of the tank and permit the spirits to be bottled. If Form 237 covers spirits exempt from rectification tax, the Government officer will, upon presentation of the form to him, execute his certificate and the approval statement on the form, and if the form agrees with the contents of the bottling tank, he will lock the inlet and unlock the outlet of the tank and allow the spirits to be bottled. The inlet of the bottling tank will remain locked until all spirits within the tank have been bottled and the outlet has been locked. Form 237 will then be completed and disposed of as provided in § 190.586.

DERIVATION: T. D. 5542.

§ 190.619 *Filling tank in officer's absence.* Where a Government officer, who is not assigned to continuous duty at the rectifying plant, is present thereat after the bottling of a lot of spirits has been completed, he will lock the outlet and unlock the inlet of the bottling tank. When such is done, the tank may be filled in the absence of the Government officer, Form 237 prepared, and, upon approval thereof, the tax due, if any, paid as prescribed in §§ 190.585 and 190.598.

DERIVATION: T. D. 5542.

§ 190.620 *Bottling from processing receptacle.* Where authorized by the district supervisor, wines and certain cordials and liqueurs that require bot-

tling from the processing receptacle in which compounded may be so bottled in the wine bottling room, provided for the purpose in accordance with § 190.98. A rectifier desiring to so bottle such liquors must request approval of the district supervisor in writing, describing the liquors and showing the necessity for bottling same from the processing receptacle. The district supervisor will authorize the bottling from processing receptacles of only those wines, cordials and liqueurs which it is impracticable to bottle from the prescribed bottling tank.

§ 190.621 *Transfer of products to wine bottling room.* Where the rectifier desires to bottle from processing receptacles wines, cordials, or liqueurs authorized to be so bottled, such receptacles will be placed in the wine bottling room, an accurate gauge made of the contents, Form 237 prepared and approved, and the tax thereon paid, as provided in Subpart BB of this part. The wine bottling room will be locked by the Government officer with a Government lock pending payment of the rectification tax, if any, and bottling.

§ 190.622 *Release of products from wine bottling room.* Upon presentation by the rectifier of Form 237 in the case of products subject to the rectification tax, and upon conformance with the tax-payment procedure prescribed by § 190.585, the Government officer will permit the products to be bottled. If the Form 237 covers products exempt from the rectification tax, and if the form agrees with the contents of the receptacles, the Government officer will execute his certificate and the approval statement on the form, and permit the products to be bottled. Form 237 will be completed and disposed of as provided in § 190.586.

DERIVATION: T. D. 5542.

§ 190.623 *Separate Form 237 for each tank.* A separate Form 237 must be prepared for each tank of spirits bottled.

DERIVATION: T. D. 5542.

§ 190.624 *Separate bottling of taxable and tax exempt spirits.* Spirits subject to tax, and spirits not subject to tax, may not be bottled at the same time in the rectifying plant, unless two or more complete and separate bottling units are provided and one or more of such units are used exclusively for each type of bottling and the products are kept completely separate and apart.

§ 190.625 *Unauthorized bottling forbidden.* Spirits may not be bottled from any vessel, tank, or receptacle other than a designated and approved bottling tank, except as otherwise provided in §§ 190.575 and 190.620; nor may spirits be bottled without notice to the Government officer assigned to the rectifying plant or the district supervisor, as required in this subpart.

(Sec. 3173 (b), I. R. C.)

§ 190.626 *Completion of bottling.* When the contents of a bottling tank are not completely bottled at the close of the day the rectifier shall enter on the copy of Form 237 attached to the bottling tank the total quantity bottled

that day from such tank, giving all the information required by the form. The Form 237 shall be kept on the tank until the entire contents are bottled. Upon completion of the bottling the rectifier will remove Form 237 from the bottling tank and such form will then be completed and disposed of as provided in Subpart BB of this part.

§ 190.627 *Remnants.* Where, upon the completion of bottling, there remain bottles less than the number necessary to fill a case, such bottles will, after being stamped and labeled in accordance with this Part, be removed to the finished products room, where they will be used for filling orders for less than a full case of such spirits, or, when a sufficient number of such bottles have been accumulated, they may be placed in regular cases. Appropriate notation will be made on Form 237 and Form 45 to show the quantity removed to the finished products room as a remnant.

§ 190.628 *Liquor bottles.* The proprietor of a rectifying plant must comply with the provisions of Regulations 13 (26 CFR Part 175), respecting the use of liquor bottles and other containers for rectified and unrectified products. Marked liquor bottles may not be used for packaging wines containing 24 percent or less of alcohol by volume, or products manufactured with such wines, unless such products contain distilled spirits other than those used in fortifying the wine. Bottles must be filled as nearly as possible to conform to the amount stated on the stamp, label or bottle, to be contained therein, but in no event may the amount of spirits contained in any bottle due to the lack of uniformity of the bottles, vary more than 2 percent from the amount stated to be contained therein and, further, in such case there shall be substantially as many bottles overfilled as there are bottles underfilled for each lot of spirits bottled as reported on Form 230 or 237.

(Sec. 2871, I. R. C.)

DERIVATION: T. D. 5463.

§ 190.629 *Red strip stamps.* The proprietor of a rectifying plant must affix over the mouth of each bottle of distilled spirits and compounds containing distilled spirits filled at his plant, except distilled spirits bottled especially for export with benefit of drawback, a red strip stamp, as provided in Subpart GG of this part. Red strip stamps shall not be affixed to bottles of wines containing 24 per centum or less of alcohol by volume, or products manufactured with such wines, unless such products contain distilled spirits other than those used in fortifying the wine.

(Sec. 2803, I. R. C.)

§ 190.630 *Labels for distilled spirits.* The labels used by rectifiers on bottles of distilled spirits and compounds containing distilled spirits must be covered by a "Certificate of Approval of Labels of Domestically Bottled Distilled Spirits," or a "Certificate of Exemption from Label Approval for Distilled Spirits," issued under the Federal Alcohol Administration Act regulations (27 CFR, Part 5), as provided in Subpart HH of this part. Labels covered by a certificate of exemp-

tion from label approval affixed to bottles of a capacity of one-half pint or more but not exceeding 1 gallon, in which distilled spirits or compounds containing distilled spirits are packaged for sale at retail, must conform to the provisions of Regulations 13 (26 CFR, Part 175).

(Sec. 2971, I. R. C.)

§ 190.631 *Labels for wines.* The labels used by rectifiers on bottles or packages of wines must be covered by a "Certificate of Approval of Labels of Wine Domestically Bottled or Packed," or a "Certificate of Exemption from Label Approval for Wine," issued under the Federal Alcohol Administration Act regulations (27 CFR, Part 4). Each bottle in which wine is packaged by a rectifier must bear a securely affixed label showing the name and address of the rectifier; the kind of wine; the alcoholic content by volume, except that if not over 14 percent it may be so stated; and the net contents of the bottle, unless legibly blown in the bottle. *Provided*, That where the wines are bottled for a dealer under a certificate of exemption from label approval, the name and address of such dealer may be substituted for the name and address of the rectifier, if the name and address of the dealer are preceded by the words "Bottled for" or "Bottled expressly for" and the number of the rectifying permit of the rectifier is shown on the label. A separate label showing the data specified in the previous sentence need not be affixed to the bottle if such data is shown on the label covered by the certificate issued under the Federal Alcohol Administration Act regulations.

(Sec. 3040, I. R. C.)

§ 190.632 *Removal to finished products room.* Upon completion of bottling, the filled bottles, with labels and red strip stamps (where required) properly affixed, must be placed in cases marked in accordance with Subpart II of this part, the filled cases then sealed and stamps representing tax (if any) due under section 3030 (a), I. R. C., attached thereto and canceled as provided in Subpart GG, after which such cases must be immediately removed to the finished products room: *Provided*, That the district supervisor may authorize the rectifier to remove to the finished products room, for storage therein pending the receipt of orders, affixing of brand labels or State stamps, or for other acceptable reasons, a reasonable number of unsealed cases of spirits in bottles bearing strip stamps and labels fully describing the contents, upon condition that the brand labels, if missing, will be affixed and the cases sealed before shipment.

§ 190.633 *Record, Form 45.* The rectifier will enter on Part 3 of Form 45 all rectified spirits and products bottled at his rectifying plant, as provided in Subpart KK of this part.

SUBPART DD—TRANSFER OF SPIRITS BY PIPE LINE FROM RECTIFYING PLANT TO CONTIGUOUS TAX-PAID BOTTLING HOUSE OR RECTIFYING PLANT FOR BOTTLING *

§ 190.650 *District supervisor may authorize.* The district supervisor may, in his discretion, authorize the installation

of a pipe line for the transfer of spirits from the bottling tanks in the rectifying plant to bottling tanks in a contiguous tax-paid bottling house or rectifying plant for bottling.

DERIVATION: T. D. 5762.

§ 190.651 *Application.* A rectifier who desires to transfer spirits by pipe line to a contiguous tax-paid bottling house or rectifying plant for bottling, must file application, in triplicate, with the district supervisor, showing the relative position of the plants and the ownership thereof, and giving a description of the proposed pipe line and the reasons why it is desired to transfer spirits to the contiguous tax-paid bottling house or rectifying plant for bottling.

DERIVATION: T. D. 5762.

§ 190.652 *Action on application.* Upon receipt of the application, the district supervisor will make such inquiry as he may deem necessary to determine the propriety of granting the permission sought. He will then indicate his approval or disapproval on all copies of the application, and will return one copy to the applicant. Where the application is approved, the rectifier will, upon installation of the pipe line, file amended rectifier's notice on Form 27-B, and plans, as provided in § 190.274 in the case of major changes in equipment and an amended plat. The district supervisor will take appropriate action, pursuant to Subpart O, prior to use of the pipe line. If the application is disapproved, the district supervisor will return all copies of the application to the applicant with advice as to the reasons for disapproval.

DERIVATION: T. D. 5618.

§ 190.653 *Request for transfer of spirits.* Where the transfer of spirits by pipe line from bottling tanks in the rectifying plant to bottling tanks in the contiguous tax-paid bottling house or rectifying plant is authorized, the rectifier will, whenever he desires to so transfer spirits, submit Form 237 or Form 230 to the Government officer and request him to unlock the valve in the pipe line and to supervise the transfer of the spirits. Where the spirits to be transferred are subject to tax, the officer will not permit the transfer thereof to the bottling tanks in the contiguous tax-paid bottling house or rectifying plant unless all tax due has been paid.

DERIVATION: T. D. 5762.

§ 190.654 *Transfer of spirits.* When spirits are to be so transferred, the Government officer will see whether the contents of the bottling tank agree with the Form 237 or Form 230, and if found in agreement, and if all taxes due on the spirits have been paid, he will unlock the valve or valves in the pipe line controlling the flow of spirits to the bottling tanks in the contiguous tax-paid bottling house or rectifying plant and permit the rectifier to transfer the spirits under his supervision. Immediately the spirits have been transferred, the proprietor will close the pipe line valve or valves and the Government officer will apply the Government locks thereto. Form 237, prepared as required by this

part, will be completed and disposed of as provided in §§ 190.558 and 190.597. Form 230, likewise prepared, will be completed and disposed of as provided in § 190.694.

DERIVATION: T. D. 5762.

SUBPART EE—RECTIFICATION AND BOTTLING OF DISTILLED SPIRITS AND WINES ESPECIALLY FOR EXPORT WITH BENEFIT OF DRAWBACK

§ 190.670 *General.* Under the law any distilled spirits and wines on which the internal revenue tax has been paid may be rectified and bottled or packaged especially for export at a rectifying plant or rectified at a rectifying plant for bottling or packaging especially for export by a qualified bottler or packer other than the rectifier, and unrectified domestic distilled spirits and wines on which the internal revenue tax has been paid may be bottled or packaged especially for export in a rectifying plant.

(Sec. 3179 (b), I. R. C.)

DERIVATION: T. D. 5598.

§ 190.671 *Extent of drawback allowance.* Upon the exportation of distilled spirits and wines so manufactured or produced and tax-paid in the United States and bottled or packaged especially for export, there may be allowed a drawback equal in amount to the tax found to have been paid thereon.

(Sec. 3179 (b), I. R. C.)

DERIVATION: T. D. 5598.

§ 190.672 *Procedure.* The rectification, bottling, and packaging of distilled spirits and wines especially for export, the rectification of distilled spirits and wines to be bottled or packaged especially for export by a qualified bottler or packer other than the rectifier, the bottling and packaging of unrectified domestic distilled spirits and wines especially for export, the storage pending exportation of distilled spirits and wines bottled or packaged especially for export, the exportation of the spirits or wines, including the lading thereof on vessels for use as ship's supplies and on aircraft for use as aircraft's supplies, and the allowance of drawback thereon shall be in accordance with the provisions of regulations 28 (26 CFR, Part 176).

(Sec. 3179 (b), I. R. C.)

DERIVATION: T. D. 5598.

SUBPART FF—BOTTLING OF UNRECTIFIED SPIRITS AND WINES

§ 190.685 *Application, Form 230.* Proprietors of rectifying plants desiring to bottle tax-paid distilled spirits or wines without rectification will execute application on Form 230, in duplicate, or in triplicate if the spirits are to be transferred for bottling, giving all of the data called for by the form, as indicated by the headings of the various columns and lines on the form, and the instructions printed thereon or issued in respect thereto, and as required by this part. The rectifier will enter in the space provided therefor on Form 230 the details of the withdrawal gauge for tax-payment when packages of spirits are to be dumped for bottling, or when liqueurs or

cordials are authorized to be bottled from the original package, or when spirits received in a tank car or by pipe line are conveyed directly into one bottling tank. When spirits received in a tank car or by pipe line are conveyed directly into more than one bottling tank, or where spirits are withdrawn from a storage tank and run into one or more bottling tanks, the rectifier will enter on a separate Form 230 the details of gauge of each bottling tank giving all applicable information. Each Form 230 will be given a serial number beginning with "1" for the 1st day of January of each year and running consecutively thereafter to December 31.

(Sec. 2801 (e) (2), I. R. C.)

§ 190.686 *Sealing stamps.* The rectifier will cut out with a sharp instrument that portion of the tax-paid stamp, rectified spirits stamp, customs stamp, or wholesale liquor dealer's stamp on each package of spirits to be bottled without rectification, which is required to be cut out at the time spirits are dumped for rectification, as provided in Subpart X of this part. The cut-out portions of the stamps will be securely attached to a slip of paper in such manner that the data thereon may be readily examined and such slip of paper bearing the cut-out portions of the stamps will be securely attached to the original Form 230.

§ 190.687 *Unstamped spirits.* Where the stamp on a package of spirits to be dumped for bottling without rectification has been lost or mutilated, so that the required portion thereof cannot be returned, or where spirits received in tank cars bearing certificate of tax-payment, Form 1595, or where spirits are received by pipe line from premises other than a rectifying plant, or where spirits in stamped bottles, or wines, are to be dumped for bottling without rectification, the same procedure will be followed as that prescribed in §§ 190.430-190.433 in the case of the dumping of spirits or wines from such containers for rectification. When spirits are received by pipe line from a rectifying plant, an explanatory statement will be made in the columns provided for the description of stamps on Form 230, as "see Form 230, Serial No. _____, dated _____."

§ 190.688 *Approval by officer.* All copies of Form 230 will be submitted to the Government officer assigned to the plant for approval, with a request to unlock and lock the stopcocks on the bottling tank. When packages of spirits are to be dumped for bottling, the Government officer will examine the packages described on the form and the cut out portions of the tax-paid stamps, or the affidavit or statement in lieu thereof, attached to one copy of the form. When spirits are received by the pipe line from contiguous premises (other than rectifying plants) and are conveyed directly into bottling tanks, the Government officer will compare the kind and quantity described on the form with the kind and quantity reported tax-paid on the withdrawal gauge for tax-payment (Form 703-A, 1440, or 1520, as the case may be). When spirits are received by pipe line

from contiguous rectifying plants, and are conveyed directly into bottling tanks, the Government officer will compare the kind and quantity described on Form 230 with the kind and quantity reported transferred on Form 230, or Form 237, as the case may be, attached to a copy of Form 230 submitted by the rectifier. The serial number of the copy of Form 230, or Form 237, received from the rectifier, will be noted by the proprietor on both copies of Form 230 prepared by him. Where spirits to be bottled have been transferred from storage tanks to bottling tanks, the Government officer will compare the kind and quantity described in the application with the kind and quantity reported withdrawn on Form 703-A, 1440, or 1520, as the case may be, attached to the storage tank. If the Government officer finds that the spirits to be bottled have been lawfully tax-paid, and the forms are properly prepared, he will execute his certificate and the authorization for bottling and return all copies to the rectifier. Spirits may be bottled at a rectifying plant without rectification only after approval of Form 230 by the Government officer.

(Sec. 2863, I. R. C.)

§ 190.689 *Transfer of packages of spirits to bottling tank.* Upon approval of Form 230 by the storekeeper-gauger, as provided in § 190.688, the rectifier will, in the case of packages, dump the spirits and run them into an approved bottling tank.

§ 190.690 *Bottling tank gauge.* The rectifier will make an actual gauge of the spirits in the bottling tank after they have been reduced to bottling proof, where such reduction is permissible, and before they are released by the Government officer for bottling. The proof of spirits shall be adjusted to a whole degree of proof preparatory to filling bottles. Adjusting the proof to tenths of a degree, either above or below the whole or complete degree, will not be permitted: *Provided*, That when spirits are being prepared for bottling and are to be bottled and labeled in tenths of a degree of proof, such as 86.4 the proof of the spirits shall be adjusted to such tenths of a degree of proof. The restoration to the original proof and volume of rectified spirits upon which the rectification tax has been paid, by the addition of water, preparatory to bottling, shall not be deemed a reduction in proof or an increase in volume within the meaning of section 2801 (b) of the Internal Revenue Code. The proof in each instance shall be verified as to accuracy by the Government officer. The details of such gauge (corrected to volume in accordance with the provisions of the Gauging Manual (26 CFR, Part 186)) will be entered in the space provided therefor on all copies of Form 230, and one copy of the form will be attached to the bottling tank.

§ 190.691 *Bottling tank to be used.* All spirits bottled at a rectifying plant must be bottled from approved bottling tanks: *Provided*, That the district supervisor may authorize the bottling of wines and certain cordials and liqueurs that require bottling from the original pack-

age in the wine bottling room. A rectifier desiring to so bottle such liquors must request approval of the district supervisor in writing, describing the liquors and showing the necessity for bottling the same from the original package. The district supervisor will authorize the bottling from the original package of only those wines, cordials, and liqueurs which it is impracticable to bottle from an approved bottling tank.

§ 190.692 *Locking of bottling tank.* At the time of opening the inlet to the bottling tank, the Government officer will lock the outlet thereof, which must remain locked until the spirits have been transferred to the tank, the inlet locked and the quantity of spirits in the tank determined. The inlet of the bottling tank will remain locked until all spirits within the tank have been bottled and the outlet has been locked.

§ 190.693 *Transfer of products to wine bottling room.* Where the rectifier desires to bottle from the original package wines, cordials, or liqueurs authorized by the district supervisor to be so bottled, such packages will be placed in the wine bottling room and Form 230 will be prepared and submitted to the Government officer assigned to the rectifying plant for approval; but no bottling will be done until the packages have been inspected by an authorized Government officer and an actual gauge of the spirits has been made and the details of such gauge entered on Form 230. When wines, cordials, or liqueurs are to be bottled in the wine bottling room, the rectifier will attach one copy of the approved Form 230 to the door of such room.

DERIVATION: T. D. 5542.

§ 190.694 *Disposition of Form 230—Transfer.* Upon completion of the transfer of spirits to the tax-paid bottling house or rectifying plant, there shall be entered on all copies of Form 230 a statement that the spirits described on such form have been transferred by pipe line to Bottling Tank No. _____ in the contiguous tax-paid bottling house or rectifying plant operated by _____ together with the date of such transfer and the serial number of the Form 230, prepared by the receiving proprietor, to which the extra copy of Form 230, prepared by the rectifier, is to be attached. After execution of such statement, the rectifier will submit all copies of the form to the Government officer, who will, after proper verification, sign and date the verification in the space provided therefor. The rectifier will retain his bottling tank copy of Form 230 at the rectifying plant, available for inspection by Government officers, will immediately furnish a copy of Form 230 to the proprietor of the tax-paid bottling house or rectifying plant to which the spirits are transferred, and will immediately forward the original copy of Form 230, with the cut-out portions of the tax-paid stamps, or the statements, or affidavit and statement required in lieu thereof, to the district supervisor who will determine that such stamps, etc., are attached to the form.

§ 190.695 *Preparation of statement of composition.* Where spirits are to be removed for bottling elsewhere, the rectifier shall prepare a statement of composition identifying the spirits and providing such information as will, in conjunction with the information shown on the packages or on Form 230 covering pipe line transfer, permit verification of the label proposed to be used in bottling. The statement must include all pertinent information which is mandatory on the label for the particular product. Such statement shall be signed by the rectifier and delivered to the storekeeper-gauger in charge, who, if he finds the spirits properly described, shall certify thereto by signing his name and title under the word "Verified." The statement shall be returned to the rectifier for forwarding to the purchaser of the spirits or to the proprietor of the premises where the spirits are to be bottled.

§ 190.696 *Rinsing of barrels; destruction of stamps, marks, etc.* When packages of spirits are dumped for bottling without rectification the provisions of §§ 190.440, 190.442, 190.443, and 190.496, respecting the destruction of stamps and marks and brands, the rinsing of barrels and wood chips contained therein, and the disposition of wood chips, when packages of spirits are dumped for rectification, shall be applicable.

(Sec. 2866, I. R. C.)

§ 190.697 *Mingling of different spirits prohibited.* Different kinds of spirits may not be mixed together at a rectifying plant, except in the process of rectification. Spirits of the same composition, produced at approximately the same proof by the same distiller at the same distillery and differing in age not more than 6 months in the case of spirits more than 2 years of age, not more than 60 days in the case of spirits more than 1 year and not more than 2 years of age, or not more than 30 days in the case of spirits 1 year of age or less, packaged in the same kind of cooperage and stored under the same conditions, will be presumed to be homogeneous, and may be dumped together for convenience in bottling. Where it is desired to mingle together for convenience in bottling spirits falling within more than one of the age categories specified, the difference in age allowable shall be determined according to the age of the younger spirits. For example, if spirits not over 1 year of age are mingled with spirits more than 1 year old, the spirits must not vary in age more than 30 days. Packages of blended or rectified spirits filled from the same blend or rectification, or from different blends or rectifications made with precisely the same spirits under the same formula, packaged in the same kind of cooperage, and stored under the same conditions, will likewise be presumed to be homogeneous, and may be dumped together for convenience in bottling. Spirits distilled from the same materials at 190 degrees of proof or over will also be presumed to be homogeneous and may be dumped together for convenience in bottling. Spirits which have been subjected to a quick-aging process may not be mixed with spirits which have not been quick-

aged and are not homogeneous, nor may spirits which have been stored in different kinds of cooperage or under different conditions and are of different composition or character be mixed together for bottling without rectification.

(Sec. 3254 (g), I. R. C.)

§ 190.698 *Testing of spirits dumped together for bottling.* Whenever there is doubt as to whether the dumping together of the contents of two or more containers of spirits constitutes rectification, a sample of each component of the proposed mixture should be compared with a sample of the final mixture by chemical analysis and by taste, color, and other tests to ascertain whether the mixture is homogeneous with each of its component parts. The regular dumping together of spirits of different ages, or different blends or rectifications, at the time of bottling is indicative of blending (rectification). The district supervisor will make appropriate inquiry where such dumping is done pursuant to Form 230 to determine whether the mass of spirits dumped together is homogeneous with each of its component parts.

§ 190.699 *Reduction of spirits.* Processing tanks may not be used for the dumping and reducing of spirits to be bottled without rectification. Spirits may be reduced to bottling proof in dumping and reducing tanks provided for the purpose or in the bottling tanks prior to the commencement of bottling. The reduction in proof or the increasing in volume of rectified spirits on which the rectification tax has been paid is, however, prohibited by law, unless the spirits are again rectified and the rectification tax again paid thereon. However, the restoration to the original proof and volume of rectified spirits upon which the rectification tax has been paid, by the addition of water, preparatory to bottling, shall not be deemed a reduction in proof or an increase in volume within the meaning of section 2801 (b), I. R. C. Section 2801 (b), I. R. C., is not applicable to the reduction of imported spirits rectified abroad, or spirits rectified in Puerto Rico, or the Virgin Islands, or of domestically rectified spirits exempt from rectification tax.

(Sec. 2801 (b), I. R. C.)

DERIVATION: T. D. 5463).

§ 190.700 *Filtration.* Spirits dumped for bottling without rectification may be filtered before being bottled, provided that the method of filtering employed is such as will not constitute rectification. (See Subpart Y of this part.)

§ 190.701 *Completion of bottling.* When the contents of a bottling tank are not completely bottled at the close of the day the rectifier shall enter in his certificate on the copy of Form 230 attached to the bottling tank the total quantity bottled that day from such tank, giving all the information required by the form. The Form 230 shall be kept on the tank until the entire contents are bottled. Upon completion of the bottling the rectifier will remove Form 230 from the bottling tank, complete the execution of

his certificate on all copies, and submit it to the Government officer for verification.

§ 190.702 *Remnants.* Remnants left over upon completion of the bottling of unrectified spirits will be disposed of in accordance with the procedure prescribed in § 190.627 for the disposition of remnants of rectified spirits, except that notation of the removal of the spirits to the finished products room will be made on Form 230 in lieu of Form 237.

§ 190.703 *Disposition of Form 230—Bottling.* Immediately after the completion of the bottling and the proper completion of Form 230, the rectifier will forward the original copy of the form, with the cut-out portions of the tax-paid stamps, or the statements, or affidavit and statement, required in lieu thereof, to the district supervisor, and will file the remaining copy as a permanent record at the plant available for inspection by Government officers. Upon receipt of Form 230, the district supervisor will see that the requisite scalped stamps, or statements, or affidavit and statement, in lieu thereof, are attached to the form. Where the spirits were transferred to the rectifying plant for bottling from a contiguous rectifying plant, the bottling Form 230 with the extra copy of Form 230 or Form 237 attached as evidence of the tax-paid status of the spirits, as provided by §§ 190.583, 190.597, and 190.694, will be filed by the proprietor. The original copy of Form 230 will be forwarded to the district supervisor.

§ 190.704 *Unrectified products to be kept separate.* When unrectified spirits or wines are bottled in a rectifying plant, such liquors must be kept completely separate and apart from rectified spirits and products. A separate Form 230 must be prepared for each bottling tank of spirits or wines to be bottled without rectification, and the same procedure will be followed for each tank.

DERIVATION: T. D. 5542.

§ 190.705 *Removal to finished products rooms.* Upon completion of the bottling of spirits or wines without rectification the filled bottles, with labels and red strip stamps (where required) properly affixed, must be placed in cases marked in accordance with Subpart II, the filled cases then sealed and immediately removed to the finished products room: *Provided*, That the district supervisor may authorize the rectifier to remove to the finished products room for storage therein pending receipt of orders, affixing of brand labels or State stamps, or for other acceptable reasons, a reasonable number of unsealed cases of spirits in bottles bearing strip stamps and labels fully describing the contents, upon condition that the brand labels, if missing, will be affixed and the cases sealed before shipment.

§ 190.706 *Rebottling, relabeling, and restamping of bottled spirits.* Where distilled spirits packaged in bottles are to be rebottled for domestic sale, the bottles, if of a capacity of one-half pint or greater and not exceeding 1 gallon, must conform to the requirements of Regula-

tions 13 (26 CFR Part 175). The new label must be covered by an appropriate certificate of label approval or a certificate of exemption from label approval. If the new label is covered by a certificate of exemption from label approval, it must conform to the requirements of Regulations 13. If the spirits have left the possession of the original bottler and are to be relabeled without rebottling, authorization to relabel the spirits must be obtained in accordance with regulations issued under the Federal Alcohol Administration Act (27 CFR Parts 4 and 5) and submitted to the Government officer assigned to the plant. Whenever bottled distilled spirits are dumped for rebottling, the red strip stamps on the bottles must be destroyed at the time of dumping, and new red strip stamps must be affixed to the bottles in which the spirits are rebottled. Such rebottling, relabeling, and restamping operations will be performed under the supervision of the Government officer. All products rebottled will be dumped pursuant to Form 230 and will be reported on Form 45 in accordance with the instructions printed thereon.

(Secs. 2803, 2871, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.707 *Record, Form 45.* The rectifier will enter on Form 45 all spirits, wines, or other liquors dumped for bottling without rectification and bottled, as provided in Subpart KK of this part.

SUBPART GG—STAMPS

RECTIFIED SPIRITS STAMPS (FOR BOTTLING TANKS)

§ 190.715 *Denominations; purchase and use.* Stamps for the tax-payment of rectified spirits in bottling tanks may be purchased in various denominations. The denominations of such stamps are set forth on Form 427-C. Rectified spirits stamps for tax-paying the contents of bottling tanks should be purchased by rectifiers from the collector of internal revenue of the district in which the rectifying plant is located. Stamps may not be purchased by one rectifier from another, nor may they, except in cases of emergency, be purchased from collectors of other districts. Stamps may be sold only to proprietors of rectifying plants and only for the payment of tax on rectified spirits. Rectifiers shall not sell or transfer stamps except that they may transfer such stamps to other rectifying plants operated by themselves as provided in § 190.719 pursuant to the prior approval of the district supervisor; or return such stamps for redemption in accordance with § 190.720. Rectified spirits stamps used or unused may not be purchased, sold, or possessed, except as specifically provided by law or this part.

(Secs. 3175, 3300, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.716 *Form 427-C.* With each purchase of stamps the rectifier will submit to the collector Form 427-C, in triplicate, properly filled out. The collector will stamp the date of sale on all copies of Form 427-C, return one copy to the rectifier with the stamps and send one copy to the appropriate district

supervisor. The remaining copy of Form 427-C will be filed in the collector's office so that all purchase of stamps may be verified at any time. The collector will refuse to sell stamps when such form is not submitted.

DERIVATION: T. D. 5542.

§ 190.717 *Remittance; delivery.* All orders for stamps must be accompanied by cash, certified, cashiers' and treasurers' checks drawn on National and State banks and trust companies, United States postal notes, and postal, bank, express, and telegraph money orders, in a sum equal to the value of the stamps. Unless the stamps are called for by the rectifier or his agent in person, they will be sent to him by ordinary mail, registered mail, or express, at the expense of the rectifier. When the stamps are not called for in person, the rectifier will specify on Form 427-C the means (ordinary mail, registered mail, or express) by which he desires the stamps sent to him. If the stamps are ordered sent by ordinary mail, the rectifier shall enclose with his order sufficient postage stamps, or a separate remittance to cover the postage; if the stamps are ordered sent by registered mail, the rectifier shall include the postage and registry fee and any required registry surcharge, as provided by the postal laws and regulations. If the remittance is other than cash, the sum to cover the postage, registry fee, or surcharge, must not be included in the remittance covering the cost of the stamps. The local postmaster should be consulted relative to the amount of the registry fee and surcharge required. Stamps forwarded by express will be sent "collect."

(Sec. 3656, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.718 *Manner of cancelling stamps.* At the time of delivery of the stamps to the Government officer for payment of the rectified spirits tax, the rectifier shall cancel the stamps by legibly writing or stamping on each stamp with indelible (India) ink his name, registry number, and the serial number of Form 237. The tax-paid stamps must be further canceled by being signed by the Government officer, followed by his title. Facsimile signatures of Government officers on stamps may be affixed by the use of hand stamps, provided care is taken to use only such ink as will neither fade nor blur.

DERIVATION: T. D. 5542.

§ 190.719 *Transfer to other premises.* When the rectifying plant is permanently discontinued, or the proprietor has no use for the stamps thereat and the proprietor operates other rectifying plants in which the stamps could be used, he may transfer the stamps to such other premises for use thereat. Permission to so transfer stamps to other premises must be first obtained from the district supervisor. If the rectifying plant to which the stamps are to be transferred is located in another supervisory district, the district supervisor granting authority to transfer the stamps will advise the district supervisor of the other district so that he may

know that the receiving rectifying plant is entitled to receive the stamps. The latter district supervisor will also inform the Government officer assigned to the receiving rectifying plant of the authority to receive stamps from other rectifying plants. Record of such transfers of stamps must be made on Form 45, as provided in § 190.722.

DERIVATION: T. D. 5542.

§ 190.720 *Redemption of rectified spirits stamps; Claim to collector.* Rectifiers desiring to have rectified spirits stamps redeemed under the provisions of section 3304, I. R. C. must make claim on Form 843 to the collector of internal revenue. The stamps, for which redemption is claimed, must be attached to the claim, and the number and denominations thereof must be listed on the claim or on a sheet of paper attached thereto. Where the stamps have been destroyed, evidence satisfactory to the Commissioner establishing such destruction must accompany the claim.

(Sec. 3304, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.721 *Unredeemable stamps.* Rectified spirits stamps may not be redeemed while rectified spirits, on which the stamps can be used in tax-payment, remain on hand and while the rectifying plant remains in a qualified status. When a rectifying plant is discontinued and stamps remain on hand, such stamps are not redeemable if the proprietor operates other rectifying plants at which the stamps could be used. In such cases the stamps will be transferred to the other premises for use thereat. Notation of the transfer must be made on Form 45 of both premises.

(Sec. 3304, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.722 *Stamp record.* The rectifier shall keep a record on Form 45 of all rectified spirits stamps for bottling tanks received and used at his rectifying plant. When rectified spirits stamps are surrendered for redemption, in accordance with § 190.720, or are transferred to, or received from, other rectifying plants operated by the proprietor, as authorized in § 190.719, record thereof must be made on Form 45, giving the reason for such surrender, transfer, or receipt, the date thereof, and the denominations of the stamps surrendered, transferred, or received, and, in cases of transfer or receipt, the name, registry number, and location of the premises to which the stamps were transferred or from which they were received.

DERIVATION: T. D. 5542.

RECTIFIED SPIRITS STAMPS (FOR PACKAGES)

§ 190.723 *Two classes.* Stamps for rectified spirits are provided in two classes: Class A, for products of rectification to which the rectifying tax of 30 cents per proof gallon does not attach; and Class B, for products of rectification to which the rectifying tax of 30 cents per proof gallon does attach.

(Sec. 2861, I. R. C.)

§ 190.724 *Denominations.* Rectified spirits stamps of classes A and B are

provided in denominations of 1, 10, 20, 30, 40, 50, 60, 70, 80, 90, 100, 110, 120, and 130 proof gallons, with 9 coupons attached representing 1 gallon each, and 9 coupons representing one-tenth of a gallon each.

(Sec. 2861, I. R. C.)

§ 190.725 *Collector to issue stamps.* When Form 237, properly approved, showing that packages (barrels, kegs, or similar containers) of rectified spirits or products have been filled by the rectifier, is submitted to the collector without remittance in the case of rectified spirits or products exempt from the rectification tax, or with proper remittance in the case of rectified spirits or products subject to the 30-cent rectification tax, the collector will issue class A or class B stamps, respectively, of the proper denomination with the required coupons attached for each package listed on the form.

(Sec. 2861, I. R. C.)

§ 190.726 *Issuance of stamps.* Upon issuing the stamps, the collector will enter on each stamp the collection district, name of the rectifier, the date of issuance, the proof gallons, and the serial number of the package for which the stamp is issued. The collector will also enter the serial number of each stamp in the column provided therefor on Form 237 opposite the serial number of the package, unless stamps are issued for several packages in consecutive order, in which case the numbers of the first and last stamps will be entered opposite the serial numbers of the first and last packages with an intervening wavy line indicating that the omitted numbers follow consecutively from the first to the last.

(Sec. 2862, I. R. C.)

§ 190.727 *Stamp stub.* Connected with each stamp is a corresponding stub, and the collector shall enter thereon the data called for necessary to preserve a perfect record of the use of such stamp when detached.

(Sec. 2862 (a) (1), I. R. C.)

§ 190.728 *Affixing of stamps.* Each rectified spirits stamp must be affixed to the package containing the spirits or products which it was issued to cover. Such stamps may not under any circumstances be affixed to other packages of spirits. The stamps must be securely affixed to a smooth surface of the Government head of the cask or package (the head bearing the marks and brands required by Subpart II of this part). That surface must not have been previously painted or covered with any oily substance or any substance which would have a tendency to cause the stamp to crack or peel off. Varnish, glue, or other adhesive material which would cause the stamp to adhere securely must be used for affixing the stamp to the package.

(Sec. 2862, I. R. C.)

§ 190.729 *Use of tacks.* In affixing stamps, one tack or staple will be driven in each corner of the stamp, and as many more as appear necessary where

the stamp bears coupons rendering it irregular in shape.

(Sec. 2862, I. R. C.)

§ 190.730 *Cancellation.* The stamp having been affixed must be immediately canceled. For this purpose the rectifier will use a stencil plate of brass or copper, in which have been cut not less than five fine parallel wavy lines long enough to extend not less than three-fourths of an inch above and below the stamp on the head of the cask or package. This plate must be imprinted with black, durable coloring material over and across the stamp as indicated. The stencil plate will be so set as to bring the five parallel wavy lines across the stamp at such points as will least obscure the reading matter on the stamp. The coloring material will be so applied with the brush as to make these lines distinct without blotting or spreading over the stamp. The stencil plates, with the edges of the cuttings of the lines, will be kept clean and the coloring material will be carefully examined to see that it is of a quality which will make a distinct and durable mark, without blotting or spreading.

(Sec. 2863, I. R. C.)

§ 190.731 *Covering.* The stamp having been so affixed and canceled must be immediately covered with a coating of transparent varnish, shellac, or lacquer. No varnish, shellac, or lacquer shall be used which is not transparent or which is oily enough to affect in the least the glue or other adhesive on the stamp.

(Sec. 2862, I. R. C.)

§ 190.732 *Proprietor to furnish all necessary labor.* All necessary labor in connection with the affixing, canceling, and covering of stamps affixed to packages of spirits shall be furnished by the rectifier.

WHOLESALE LIQUOR DEALER'S STAMPS

§ 190.733 *Circumstances authorizing procurement.* Where, because of the discontinuance of business or change of location or desire to return to the vendor distilled spirits found to be unsuitable after the deposit thereof in storage tanks or the dumping thereof from the stamped packages in which received, or for other lawful reasons, the rectifier desires to fill packages of distilled spirits containing five wine gallons or more, in cases where the spirits have not been rectified, he may, if qualified as a wholesale liquor dealer, procure wholesale liquor dealer's stamps for the packages.

(Sec. 2863, I. R. C.)

§ 190.734 *Denominations.* Wholesale liquor dealer's stamps are provided in denominations of 5, 10, 20, 30, 40, 50, 100, 200, 300, and 500 wine gallons, with 9 coupons attached representing 1 wine gallon each, and 9 coupons representing one-tenth of a wine gallon each.

(Sec. 2863, I. R. C.)

§ 190.735 *Application to package.* Rectifiers desiring to draw distilled spirits into wholesale liquor dealer's packages of 5 wine gallons or more, as

authorized in § 190.733, will make application therefor on Form 92, in triplicate, giving all of the information called for by the form. Where the spirits to be so packaged have been dumped from the stamped containers in which received the application shall show, in addition to other applicable data, the date and number (122 or 230) of the form pursuant to which the spirits were dumped. If the spirits were received in a tank car the application shall show, in addition to other applicable data, the date the certificate of tax-payment (Form 1595) was submitted to the district supervisor. Should the spirits, which it is permissible to transfer to wholesale liquor dealer's packages under § 190.733, be contained in stamped packages, the stamps thereon must be scalped and securely attached to one copy of the application.

(Sec. 2863, I. R. C.)

§ 190.736 *Government officer's certificate.* All copies of Form 92 will be submitted to the Government officer assigned to the rectifying plant, who, if he finds after inspection of the spirits and verification of the entries and statements in the application that the spirits are correctly described and have been properly tax-paid and have not been subjected to any act of rectification, will execute his certificate on each copy of the form.

(Sec. 2863, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.737 *Approval of application.* If the Government officer is satisfied that the rectifier is entitled to receive wholesale liquor dealer's stamps for the packages he desires to fill because of discontinuance of business, change of location or desire to return to the vendor distilled spirits found to be unsuitable after the deposit thereof in storage tanks or the dumping thereof from the stamped packages in which received, he will approve the application and return all copies to the rectifier. If the wholesale liquor dealer's stamps are desired for lawful reasons other than the above, the Government officer will return all copies to the rectifier for forwarding to the district supervisor. If the district supervisor is satisfied that the application is properly executed and that the rectifier is entitled to procure such stamps, he will approve the application and return all copies to the rectifier.

(Sec. 2863, I. R. C.)

§ 190.738 *Filling, gauging, and marking packages.* Upon receipt of Form 92, duly approved, the rectifier will fill, gauge, and mark the packages under the supervision of the Government officer. The packages will be filled in accordance with the provisions of § 190.567. The packages will be gauged in accordance with the rules prescribed in the Gauging Manual (26 CFR, Part 186) for the gauging of packages of spirits, and the details of the gauge will be entered on each copy of the form. The packages will be marked and branded in accordance with the provisions of Subpart II of this part.

(Sec. 2863, I. R. C.)

§ 190.739 *Preparation of statement of composition.* Where a rectifier, pursuant to an approved Form 92, packages distilled spirits in wholesale liquor dealer's packages for removal to other qualified premises for bottling, he shall prepare a statement of composition identifying the packages and providing such information as will, in conjunction with the information shown on the packages, permit verification of the label proposed to be used in bottling. The statement must include all pertinent information which is mandatory on the label for the particular product, for example, the presence or absence of flavoring material, artificial coloring, treatment with oak chips, quick-aging, etc. Such statement shall be signed by the rectifier and delivered to the storekeeper-gauger in charge, who, if he finds the spirits properly described, shall certify thereto by signing his name and title under the word "Verified." The statement shall be returned to the rectifier for forwarding to the purchaser of the spirits or to the proprietor of the premises where the spirits are to be bottled.

§ 190.740 *Application for stamps.* When the spirits have been properly packaged and the details of the gauge thereof entered on Form 92, the rectifier will execute the application on such form for the issuance of wholesale liquor dealer's stamps for the packages, and will deliver all copies of the form to the Government officer for his verification. (Sec. 2863, I. R. C.)

§ 190.741 *Government officer's verification.* The Government officer will, after verification of the rectifier's entries on the form, sign and date the verification in the spaces provided therefor, and will return all copies to the rectifier, who will then forward them to the collector. (Sec. 2863, I. R. C.)

§ 190.742 *Issuance of stamps.* Upon receipt of Form 92, duly executed, the collector will issue a wholesale liquor dealer's stamp, with proper coupons attached, for each package listed on the form. When issuing the stamps the collector will enter on each stamp the date, his name and collection district, the name of the wholesale liquor dealer (the rectifier), the number of wine gallons in the package for which the stamp is issued, the name and collection district of the distiller or other person who filled the stamped package or packages or tank car in which the spirits were previously contained, and the present proof of the spirits. If the package for which the stamp is issued was filled directly from a stamped package, the collector will also enter on the stamp the serial number of the stamped package, the kind and serial number of the stamp which such package bore, and the original proof of the spirits. Where the spirits drawn into wholesale liquor dealer's packages have been previously contained in two or more packages which had been dumped together, or in a tank car, the collector will insert a dash in the spaces provided on the stamp for the insertion of the serial number of the previous package, the kind and serial number of the stamp thereon, and the original proof

of the spirits, except that where the spirits were contained in a tank car the words "Tank car" will be inserted in the space provided for the serial number of the previous package.

(Sec. 2863, I. R. C.)

§ 190.743 *Stamp stub.* The collector shall enter on the stub connected with each stamp the data called for to preserve a perfect record of the use of the stamp when detached.

(Sec. 2802 (a) (1), I. R. C.)

§ 190.744 *Collector's disposition of Form 92.* The collector will enter the serial numbers of the wholesale liquor dealer's stamps in the proper column on each Form 92, opposite the description of the package for which the stamp is issued. The collector will then return one copy of Form 92 to the rectifier with the stamps, forward one copy of the form to the district supervisor, and retain the remaining copy as his authority for issuing the stamps.

(Sec. 2863, I. R. C.)

§ 190.745 *Wholesale liquor dealer's stamps for rectified spirits.* Collectors may not furnish wholesale liquor dealer's stamps in lieu of and in exchange for stamps for rectified spirits, unless the package covered by the stamp for rectified spirits is to be broken into smaller packages.

(Sec. 2802 (e), I. R. C.)

§ 190.746 *Affixing and canceling stamps.* Upon receipt from the collector of Form 92 and the accompanying stamps, the rectifier will affix the stamps to the packages and cancel the same under the supervision of the Government officer. The stamps will be affixed and canceled in the same manner as rectified spirits stamps are required in this subpart to be affixed and canceled.

(Sec. 3301, I. R. C.)

§ 190.747 *Records.* Where distilled spirits which have been dumped for bottling without rectification are packaged under wholesale liquor dealer's stamps, the rectifier shall enter a full description of the packages and their contents in his certificate on Form 230, together with a reference to the Form 92 under which the spirits were authorized to be so packaged. The rectifier shall also make appropriate entries and notations on Form 45 whenever any distilled spirits are packaged and removed under wholesale liquor dealer's stamps.

(Sec. 2863, I. R. C.)

DERIVATION: T. D. 5542.

WINE STAMPS

§ 190.748 *Purchase, transfer, record, etc., of wine stamps.* Wine stamps for the payment of taxes on rectified spirits or products under section 3030 (a), I. R. C., will be provided in the denominations set forth on Form 427-B. Such stamps will be purchased by rectifiers pursuant to application on Form 427-B from the collector of the district in which the rectifying plant is located, in accordance with the provisions of § 190.715. Wine stamps may also be received from another rectifying plant operated by the

rectifier pursuant to section 190.719. The provisions of §§ 190.715-190.722, shall be applicable to the procurement, possession, use, and record of wine stamps.

(Sec. 3030 (b) (1), I. R. C.)

DERIVATION: T. D. 5542.

DESTRUCTION OF STAMPS UPON EMPTYING PACKAGES

§ 190.749 *Immediate destruction required.* All stamps must remain on the package until the contents are emptied therefrom. When a package of distilled spirits is emptied, all stamps thereon must be completely effaced and obliterated. Every person who empties any receptacle to which wine stamps are attached shall destroy such stamps by scraping or obliterating the name immediately the receptacle is emptied; and if the receptacle is a cask, barrel, keg, or similar container he shall scrape or obliterate the marks and brands therefrom. The responsibility for destroying stamps on empty packages rests upon the person emptying the same.

(Secs. 2866, 3301, I. R. C.)

DERIVATION: T. D. 5274.

RED STRIP STAMPS

§ 190.750 *Requisition, Form 428.* Proprietors of rectifying plants may purchase red strip stamps indicating tax-payment of bottled distilled spirits in anticipation of their current needs. Requisition for red strip stamps will be made by proprietors on Form 428, in triplicate.

§ 190.751 *Stamp denominations.* Red strip stamps will be provided in the following denominations only: 1 gallon, $\frac{1}{2}$ gallon, 1 quart, $\frac{1}{2}$ quart, $\frac{3}{4}$ quart, 1 pint, $\frac{1}{2}$ pint, $\frac{3}{4}$ pint, $\frac{1}{2}$ pint, and less than $\frac{1}{2}$ pint. When bottles containing spirits are of sizes for which no stamps are provided, the rectifier will use stamps of the denomination next under the actual quantity of spirits contained in the bottles, as, for instance, a stamp of the $\frac{1}{2}$ -pint denomination for a bottle containing more than $\frac{1}{2}$ pint and less than $\frac{3}{4}$ pint, and will block or strike out the original denomination and write or print on the stamps immediately above the blocked or stricken out denomination the exact quantity of spirits contained in the bottles. Stamps of the denomination of "less than $\frac{1}{2}$ pint" need not be changed to show the exact quantity contained in the bottles. Red strip stamps of the "less than $\frac{1}{2}$ pint" denomination will be issued 50 in a sheet. Red strip stamps of all other denominations will be issued 42 in a sheet. Requisitions for red strip stamps by proprietors of rectifying plants must be made for full sheets. Stamps less than a full sheet may not be sold by a collector to a rectifier.

(Sec. 2803 (b), (d), I. R. C.)

§ 190.752 *Approval of requisition.* The proprietor will submit all copies of the requisition, Form 428, to the Government officer for approval. Before approving the requisition, the approving officer will see that it is properly executed and will satisfy himself that the number of stamps for which requisition is made is necessary for the current needs of the rectifier. No red strip stamps may

be issued for use at a rectifying plant unless Form 428 is approved. Upon approval of the form, the approving officer will return all copies to the rectifier.

(Sec. 2803 (d), I. R. C.)

DERIVATION: T. D. 5542.

§ 190.753 *Purchase of stamps.* Red strip stamps will be purchased by rectifiers from the collector of the district in which the rectifying plant is located. Stamps may not be purchased by one rectifier from another, nor may they, except in cases of emergency, be purchased from collectors of other districts. The rectifier will forward all copies of the approved Form 428 received from the approving officer to the collector of internal revenue with remittance for the stamps in the manner prescribed by § 190.717. The collector will enter the serial numbers of the stamps issued and stamp the date of sale on all copies of Form 428, and will retain one copy and send the original to the district supervisor and one copy (by mail) to the Government officer at the rectifying plant. The collector will, in every case, forward the stamps to the Government officer at the plant, in care of the rectifier. The rectifier will retain the package intact and deliver it unopened to the Government officer. The Government officer will enter receipt of the stamps in Form 182, and will immediately place them in the Government cabinet.

(Sec. 2803 (b), (d), I. R. C.)

§ 190.754 *Shipment of stamps.* Where the stamps are to be shipped, the collector will forward the stamps to the Government officer by registered mail or express. The expense of forwarding the stamps by registered mail or express will be borne by the proprietor. The collector may furnish the stamps directly to the proprietor for immediate delivery to the Government officer in accordance with § 190.753.

DERIVATION: T. D. 5681.

§ 190.755 *Rectifier's daily requisition.* The rectifier will make requisition of the Government officer for the necessary number of stamps for each day's bottling or for each lot of spirits bottled. The requisition will be prepared in the following form:

(Name of plant)

(Plant requisition
number)

(Date)

To United States Storekeeper-Gauger:

Please deliver to our bottling department the following red strip stamps to be used for affixing to bottles of tax-paid spirits to be drawn from bottling tanks shown herein:

Denomination	Quantity	Bottling tank number

(Proprietor)
By _____

Stamps delivered to proprietor:

Denomination	Quantity	Serial number of sheets

(U. S. Storekeeper-gauger)

(Date)

(Sec. 2803 (d), I. R. C.)

§ 190.756 *Stamps issued in serial order.* All red strip stamps will be issued by the Government officer to the rectifier in proper serial order, starting with the lowest serial number of the stamps of the denominations desired on hand at the time of issuance. The rectifier will not, however, be required to affix red strip stamps in serial order.

(Sec. 2803 (d), I. R. C.)

§ 190.757 *Requisitions to be filed.* Government officers will retain the rectifier's requisitions at the plant as a record available for inspection by other Government officers and will file them in chronological order.

§ 190.758 *Officer's responsibility.* Government officers who have custody of red strip stamps will be held strictly responsible for the proper control and accounting of all stamps received, issued, used, and on hand. They shall determine whether the number of stamps requisitioned is needed; that those issued are properly affixed to bottles of tax-paid spirits; that all stamps issued to the rectifier and not used are returned to them; and that a proper accounting is made of all stamps reported mutilated.

§ 190.759 *Cutting stamps in advance.* The Government officer will enter on Form 182 all red strip stamps received from the collector. He may thereafter, upon request, permit the rectifier to cut all, or any quantity, of such stamps in advance of his needs. Such red strip stamps will be cut under the supervision of the Government officer and returned to him in the same numerical sequence. Each separate package of cut red strip stamps must be marked with the quantity of such stamps in the package and the first and last numbers, as "4,200, serial Nos. 1,600,001 to 1,600,100." Government officers when issuing red strip stamps will enter in the space provided therefor on the rectifier's requisition the denomination, quantity, and serial numbers of the stamps.

(Sec. 2803 (d), I. R. C.)

§ 190.760 *Manner of affixing stamps.* The stamps must be securely affixed to the bottles with the use of a good adhesive. The adhesive used must be in proper liquid condition, and care must be taken to cover the entire back of the stamp with the adhesive, and to press the whole surface of the stamp firmly against the surface of the bottle sufficiently long to cause the entire surface of the stamp to adhere securely to the bottle. The stamp must pass over the mouth of the bottle, extending an approximately equal distance on two sides of the bottle, and

be so affixed that a portion of the stamp will remain attached to the bottle when the same is opened.

(Sec. 2803 (d), I. R. C.)

§ 190.761 *Concealing or obscuring stamps prohibited.* No part of the stamp shall be concealed or obscured by any label or other covering, except that a cup may be placed over the opening of the bottle or the bottle may be placed in a carton, as provided in this section. Seals made of cellulose or other material which are shrunk or otherwise fitted over the necks of the bottles and cover the stamps must be sufficiently transparent to permit the stamps to be plainly seen and the data thereon easily read. No cup or cap may be placed over the opening of a bottle and cover the stamp, unless such cup or cap is transparent or is so placed on the bottle that it may be readily removed at any time without injury to the stamp and the arrangement is such that the ends of the stamp will be plainly visible when the cap or cup is in place. Cartons or other coverings of bottles of distilled spirits are permitted, if so made that they may be opened and closed without being torn or broken. Sealed cartons or other coverings may not be used unless transparent or unless openings therein permit the data on the stamp and the indicia on the bottle to be plainly seen and read.

(Sec. 2803 (d), I. R. C.)

§ 190.762 *Affixing stamp over cup or cap.* The stamp may be affixed over a cup or cap placed over the opening of the bottle, provided the arrangement is such that the stamp will be torn apart or destroyed when the cup or cap is unscrewed or removed or destroyed. Where it is desired to affix the stamp over a removable cup or cap, the cup or cap must be securely screwed or fastened over the opening of the bottle, and must be of such size and construction that the stamp will pass over the top and extend beyond the cup or cap for such length that each end of the stamp may be securely affixed to the surface of the bottle. Any bottler using such a cup or cap must see to it that the stamp is securely affixed, with a strong adhesive, to both the cup or cap and the bottle in such a manner that the stamp will be torn apart when the cup or cap is unscrewed or removed. Where it is desired to affix the stamp over a cap or seal made of cellulose or other similar adhesive material which is so shrunk or otherwise fitted over the neck of the bottle as to be unremovable without being destroyed, it will not be necessary for the ends of the stamp to be affixed to the surface of the bottle, but the cap or seal and stamp must be so affixed that a portion of each will remain attached to the bottle when it is opened. In any case where there is doubt as to the propriety of the use of any cup or cap, the bottle and cup or cap should be submitted to the district supervisor for a ruling thereon.

(Sec. 2803 (d), I. R. C.)

§ 190.763 *Containers in excess of 1 and less than 5 gallons.* Where unrectified alcohol or other unrectified distilled spirits are packaged in containers in excess of 1 gallon and less than 5 gallons, a

red strip stamp must be securely affixed over the opening of the container in such a manner that the stamp will be destroyed when the container is opened. Stamps of 1-gallon denomination will be used for such containers and the denomination of the stamp will be changed by obliterating the figure "1" on each end of the stamp over the abbreviation "Gal." and writing or printing immediately above the same other figures representing the exact contents of the container. Alcohol and other distilled spirits in such containers may be sold or disposed of only as provided in § 190.815, relative to sales in bulk containers.

(Sec. 2803 (a), (d), I. R. C.)

§ 190.764 *Non-usable strip stamps.* Strip stamps issued by foreign countries may not be affixed to either imported or domestic spirits bottled at rectifying plants and intended for domestic consumption, nor may red strip stamps which have been mutilated be used at such plants. Unless eligible and intended for exchange or refund, as provided in § 190.765, red strip stamps that have been mutilated should be destroyed by the rectifier under the supervision of the Government officer, who will then enter appropriate credit on Form 182 for the number of each denomination of stamps so destroyed.

(Sec. 2803 (d), I. R. C.)

§ 190.765 *Exchange and redemption of stamps.* Unused red strip stamps, in quantities of the value of \$5 or more, issued under subsection (b) of section 2803, Internal Revenue Code, may be exchanged for other stamps of the same kind and in any prescribed denomination, or the value thereof may be refunded, provided that a claim for such exchange or refund, establishing the lawful issuance and ownership of the stamps, is filed with the collector of internal revenue who issued the stamps within two years after the date on which such stamps were lawfully issued: *Provided, however,* That the value of unused stamps which have been destroyed may be refunded upon the filing of a claim as provided in this section with proof to the satisfaction of the Commissioner of the destruction of the stamps. Claims for exchange of stamps will be filed on Form 1579 which will be prepared according to the instructions printed on the form, signed and sworn to before an officer authorized to administer oaths: *Provided,* That if the form officially prescribed for such application contains therein a provision for verification by a written declaration that such application is made under penalties of perjury, such application shall be verified by the execution of such declaration, and such declaration so executed shall be in lieu of the oath and required herein for verification. Claims for refund of the value of the stamps will be filed on Form 843, in accordance with procedure prescribed by the Commissioner.

(Secs. 2803, 3809, I. R. C.)

DERIVATION: T. D. 5004.

§ 190.766 *Record, Form 96.* Where the red strip stamps are returned to the

proprietor for filing a claim for exchange or redemption, the proprietor shall account for such stamps on Form 96, until the exchange or redemption has been effected. The form will be prepared and disposed of in accordance with the applicable instructions printed thereon relating to "Other persons assigned custody of stamps."

DERIVATION: T. D. 5703.

§ 190.767 *Government officer's record and report.* Storekeeper-gaugers assigned to rectifying plants will make a record and report of red strip stamps received and used on Form 182, as provided in Subpart LL of this part.

(Sec. 2803 (d), I. R. C.)

SUBPART HH—LABELS ON BOTTLES OF DISTILLED SPIRITS

§ 190.780 *Certificates of approval or exemption.* All bottlers of distilled spirits are required by regulations issued under the Federal Alcohol Administration Act (27 CFR, Part 5) to obtain a "Certificate of Approval of Labels of Domestically Bottled Distilled Spirits" or a "Certificate of Exemption from Label Approval for Distilled Spirits" before using labels on bottles of distilled spirits.

(Sec. 505, 49 Stat. 1965; 27 U. S. C. 205.)

§ 190.781 *Certificates to be exhibited.* All bottlers of distilled spirits are required to exhibit certificates of label approval or certificates of exemption from label approval upon request to a duly authorized representative of the United States. Internal revenue officers will call upon the proprietor to exhibit the required certificates of label approval or certificates of exemption from label approval. The original certificate or duplicate original issued under the Federal Alcohol Administration Act must be exhibited to the officer. Photostatic copies are not acceptable for this purpose.

(Sec. 505, 49 Stat. 1965; 27 U. S. C. 205.)

§ 190.782 *Comparison of labels with contents of bottling tank.* Before releasing spirits from bottling tanks for bottling, the Government officer will require the rectifier to submit to him the label he proposes to use for the spirits in the bottling tank, together with the certificate of label approval or the certificate of label exemption, as the case may be, and will compare such label with the label affixed to such certificate to see that they agree in every respect except for the differences allowed by the certificate. In order to determine whether the label to be used corresponds in every respect with the spirits in the bottling tank including age, class and type, and proof, he will then compare such label with Forms 122 and 237, and Form 27-B Supplemental describing the formula, for rectified products manufactured by the rectifier; and with Form 230 as to products being bottled without rectification; with the certificate of origin, age and class and type in the case of imported distilled spirits, where required by regulations issued under the Federal Alcohol Administration Act (27 CFR, Part 5);

and with the statement of composition required by §§ 190.568, 190.695 and 190.739, in the case of distilled spirits received from another rectifier. In making this determination he will take into consideration the kind of spirits, the proof of distillation, the kind of cooperage in which the spirits were stored, and whether the spirits were treated with oak chips, etc., as disclosed by the marks and brands on the packages, by Forms 122, 237 or 230, and by the certificate of origin, age, and class and type, or by the statement of composition. If the label and spirits agree in every respect, the Government officer will attach the label securely to the copy of Form 237 or Form 230 to be attached to the bottling tank and release the spirits for bottling. If the label and spirits do not agree in every respect, the Government officer will withhold the release of the spirits for bottling until the rectifier submits to him a label and a certificate of label approval or exemption, as the case may be, correctly describing the spirits to be bottled.

(Sec. 505, 49 Stat., 1965; 27 U. S. C. 205.)

§ 190.783 *Additional label requirements.* Officers assigned to rectifying plants will also see that all labels affixed to containers of distilled spirits subject to the provisions of Regulations 13 (26 CFR, Part 175) conform to the requirements of this part. The methods prescribed in § 190.782 will be followed in making such determinations.

(Sec. 2871, I. R. C.)

DERIVATION: T. D. 5463.

§ 190.784 *Tests of bottled spirits.* Officers assigned to rectifying plants will, at frequent, irregular intervals during the process of bottling, test and examine the bottled spirits to determine whether the label attached is identical with the label verified by the Government officer under § 190.782; whether the bottled spirits agree in proof with the data on the label; and whether the quantity agrees with the data on the label, stamp or bottle, subject to the limitation prescribed by § 190.628. The test as to proof will be made by the use of standard gauging instruments in accordance with the provisions of the Gauging Manual (26 CFR, Part 186). The test as to quantity will be made by the utilization of a glass graduate standardized at sixty degrees Fahrenheit to be provided by the rectifier, or by weighing a given number of empty bottles and reweighing the same bottles after filling. The net contents will be computed in accordance with the provisions of the Gauging Manual (26 CFR, Part 186). If the contents do not agree as to quantity (subject to the limitation of § 190.628) or as to proof (subject to a normal drop in proof occurring during bottling operations not to exceed three-tenths of a degree), with the respective data on the label, stamp or bottle, the Government officer will withhold release of the bottled spirits and require the rectifier to rebottle, recondition, or relabel the spirits in such manner that the labels will correctly describe the contents. However, the proof at the beginning of

the bottling operations shall always be set exactly as provided in §§ 190.556 and 190.690.

DERIVATION: T. D. 5463.

§ 190.785 *Rectifier's responsibility.* Notwithstanding that Government officers assigned to rectifying plants are required to verify labeling data, full responsibility rests upon the rectifier to see that the labeling of all spirits and wines bottled or packaged at his plant is in conformity with the requirements of the Federal Alcohol Administration Act and regulations (27 CFR, Parts 4 and 5), and Regulations 13 (26 CFR, Part 175).

DERIVATION: T. D. 5463.

SUBPART II—MARKING AND BRANDING

SERIAL NUMBERS

§ 190.795 *Method of numbering.* Each case, barrel, cask, or similar container filled at a rectifying plant, including packages and cases of unrectified spirits and wines, must be numbered serially, beginning with No. 1 for the first case or package filled: *Provided*, That the series in current use at existing rectifying plants will be continued. Where there is a change in the individual or corporate name, or in the trade name or style, of the rectifier, the series in use at the time of such change will be continued, but a new series will be commenced where there is a change of proprietorship.

(Sec. 2861, I. R. C.)

§ 190.796 *New or separate series.* The serial numbers of the cases and packages filled at a rectifying plant shall run consecutively and shall not be broken in any manner, except that whenever the number 1,000,000 is reached the rectifier may, if he so desires, begin a new series commencing with No. 1, and that where two or more separate bottling units are used and different kinds of spirits are bottled simultaneously, and it is impracticable to number the cases of each kind of spirits consecutively, a series identified by a letter may be used for each bottling unit, as 1A, 2A, etc., and 1B, 2B, etc. Likewise, where cases and packages are filled simultaneously, and it is impracticable to number the cases and packages consecutively, a separate series followed by an identifying letter may be used for the packages and one or more separate series, as provided above, may be used for the cases. Cases may be serially numbered either before or after filling.

(Sec. 2861, I. R. C.)

OTHER REQUIRED MARKS

§ 190.797 *Packages of distilled spirits.* In addition to the serial number, there shall be plainly and durably burned, cut, imprinted, or stenciled, on the Government head of each barrel or similar container of distilled spirits the kind of spirits, the wine-gallon content, the proof of the spirits, the proof-gallon content, the tare of the container, the date of filling, the number of the approved formula under which rectified,

the name (or trade name or style) of the rectifier, the location (city or town, and State) of the rectifying plant, and the number of the rectifier's basic permit issued under the Federal Alcohol Administration Act regulations (27 CFR, Part 1): *Provided*, That if the spirits were rectified by such rectifier, or if the spirits are unrectified spirits which were produced by such rectifier at a distillery, he may use in connection with his name the designation "Rectifier" or "Distiller," respectively.

(Sec. 2861, I. R. C.)

DERIVATION: T. D. 5573.

§ 190.798 *Cases of distilled spirits.* In addition to the serial number, each case of distilled spirits shall have marked on the Government side thereof the kind of spirits, the wine gallons, proof, and proof gallons, the date of filling, and the name (or trade name or style), location (city or town and State), and the number of the rectifier's basic permit issued under the Federal Alcohol Administration Act regulations (27 CFR, Part 1): *Provided*, That, if the spirits were rectified by such rectifier, or if the spirits are unrectified spirits which were produced by such rectifier at a distillery, or if the spirits were neither rectified nor produced by such rectifier, he may use in connection with his name the designation "Rectifier," "Distiller," or "Bottler," respectively: *And provided further*, That where the spirits are bottled for a certain dealer and it is desired to show the name and address of the dealer on the case in lieu of the name and location of the rectifier, such may be done if the name of the dealer is preceded by the words "Bottled for" or "Bottled expressly for," and the number of the rectifier's basic permit issued under the Federal Alcohol Administration Act regulations, together with the other required marks, excepting the name and location of the rectifier, are shown on the case.

§ 190.799 *Packages and cases of wine.* The rectifier shall place marks upon packages and cases of wine similar to the marks required by §§ 190.797 and 190.798 to be placed upon packages and cases of distilled spirits, except: The tare need not be marked on the packages; the alcoholic content of the wine will be shown in percentage by volume in lieu of the proof; and, in the case of unrectified wine, the proof gallons may be omitted.

(Sec. 3040, I. R. C.)

DERIVATION: T. D. 5573.

§ 190.800 *Illustration of marks.* The required marks, stamps, and brands will be placed on packages and cases substantially as follows:

Barrels

Ser. No. 1
Whiskey
John Doe & Co.
Rectifier (or Distiller)
New York, N. Y.
R-135

[STAMP]

50.00 W. G.
90 Proof
45.00 P. G.

Filled May 2, 1938

Cases

Ser. No. 2
Whiskey
John Doe & Co.
Rectifier (or Distiller or Bottler)
New York, N. Y.
R-135
3.00 W. G.
90 Proof
2.70 P. G.
Filled May 2, 1938

The location of the rectifier, or the address of the dealer for whom the spirits are bottled, may be shown by recognized abbreviations.

(Sec. 2861, I. R. C.)

MANNER AND SIZE OF MARKINGS

§ 190.801 *Packages.* The required marks and brands will be plainly printed or stenciled on each package with black, durable coloring material, in letters and figures not less than three-fourths of an inch in height, except that in the case of barrels or similar containers of less than 20 wine gallons capacity the letters and figures may be proportionate in height but in no event less than three-eighths of an inch.

(Sec. 2861, I. R. C.)

§ 190.802 *Cases.* The required marks will be durably and plainly printed, stamped, or stenciled on each case in a color contrasting with the background of the case and in letters and figures not less than one-half inch in height.

MISCELLANEOUS PROVISIONS

§ 190.803 *Destruction of marks and brands.* The marks, brands, and serial numbers required by this part to be placed on barrels, casks, or similar containers, or cases, shall not be removed therefrom, or obscured or obliterated, before the contents thereof have been removed; but when barrels, casks, or similar containers are emptied, all such marks, brands, and serial numbers shall be effaced and obliterated by the person removing the contents therefrom.

(Sec. 2836, I. R. C.)

§ 190.804 *Trade marks.* No person shall affix or cause to be affixed to or upon any cask or package containing or intended to contain distilled spirits any imitation stamp or other engraved, printed, stamped, or photographed label, device, or token, whether the same be designed as a trade mark, caution notice, caution, or otherwise, and which shall be in the similitude or likeness of or shall have the semblance or general appearance of any internal revenue stamp required by law to be affixed to or upon any cask or package containing distilled spirits.

(Sec. 2869, I. R. C.)

§ 190.805 *Placing of trade marks on Government head forbidden.* No marks, brands, caution notices, or other devices whatsoever will be permitted on the Government head of any package or Government side of any case, other than the stamps, labels, marks, or brands required or authorized to be affixed by law or this part.

SUBPART JJ—SALES OF DISTILLED SPIRITS BY RECTIFIERS

§ 190.815 *Bulk containers.* Under the regulations issued pursuant to the Federal Alcohol Administration Act (27 CFR, Part 3), proprietors of rectifying plants may sell or dispose of distilled spirits in bulk, i. e., in containers having a capacity in excess of 1 wine gallon (a) to distillers and proprietors of internal revenue bonded warehouses, industrial alcohol plants and industrial alcohol bonded warehouses (holding a permit under the Federal Alcohol Administration Act), including those operating tax-paid bottling houses; (b) to rectifiers; (c) to proprietors of class 8 customs bonded warehouses (imported spirits only); (d) to winemakers (brandy or alcohol) for the fortification of wine; (e) to any agency of the United States, or of any State or political subdivision thereof; (f) for export; (g) on warehouse receipts, conforming to the regulations issued under the Federal Alcohol Administration Act, for distilled spirits in internal revenue bonded warehouses; and (h) for industrial use, as follows: For experimental purposes, and in the manufacture (1) of medicinal, pharmaceutical, or antiseptic products, including prescriptions compounded by retail druggists; (2) of toilet products; (3) of flavoring extracts, sirups, or food products; or (4) of scientific, chemical, mechanical, or industrial products; provided such products are unfit for beverage use. Distilled spirits produced at registered distilleries at a proof of 160 degrees or more, upon tax-payment, may be withdrawn for beverage purposes only; and under the regulations issued pursuant to the Federal Alcohol Administration Act rectifiers may not sell in bulk for industrial use other distilled spirits (except alcohol or neutral spirits—fruit) unless such spirits are shipped or delivered directly to the industrial user thereof.

(Sec. 2883, I. R. C.; sec. 6, 49 Stat. 985; 27 U. S. C. 206)

§ 190.816 *Retail containers.* Except as provided in § 190.815, rectifiers may sell or dispose of distilled spirits only in containers having a capacity of 1 gallon or less. All such containers having a capacity of one-half pint or more must conform to the requirements of Regulations 13 (26 CFR, Part 175).

(Sec. 2871, I. R. C.; sec. 6, 49 Stat. 985; 27 U. S. C. 206)

§ 190.817 *Broken cases.* The rectifier may break serially numbered cases in the finished products room or the contiguous wholesale liquor dealer room when necessary for the purpose of filling orders for less than a case of particular brands or kinds of liquors, provided notation of the serial numbers of such cases is made on Form 45 or Record 52, or on a separate record with identifying data in accordance with § 190.831. Broken cases shall be kept separate from full cases, and no case shall be broken unless necessary to fill orders. Composite or partial cases shall be marked in accordance with the requirements of §§ 190.798 and 190.799, except that such cases will not be serially numbered and where the

contents differ in kind or proof the words "Miscellaneous spirits" or "Assorted spirits," or a similar designation, may be substituted for a more particular description of the kind of spirits and the proof may be omitted.

SUBPART KK—RECTIFIER'S RECORDS AND REPORTS

§ 190.825 *Monthly record, Form 45.* In addition to rendering Forms 122 and 237, as provided in Subparts X and BB of this part, every rectifier shall keep a monthly record on Form 45 of all distilled spirits, wines, and other liquors received, dumped for rectification, packaged or bottled after rectification, bottled without rectification, and disposed of. All of the information indicated by the headings of the columns and lines on the form, and the instructions printed thereon or issued in respect thereto, and as required by this part, will be entered thereon. Form 45 will be kept, in bound form, at the rectifying plant.

(Sec. 2855, 3171, I. R. C.)

§ 190.826 *Where contiguous wholesale liquor dealer room is maintained.* Where the rectifier maintains a contiguous wholesale liquor dealer room and uses it exclusively for products bottled at his rectifying plant, he shall report on Form 45 all bulk products removed from the rectifying plant and all bottled products removed from the rectifying plant and the contiguous wholesale liquor dealer room. Where the wholesale liquor dealer room is not used exclusively for products bottled at the rectifying plant, the rectifier shall report all bottled products (rectified and unrectified) removed from his rectifying plant, on Form 45, kept at such plant and shall keep at such contiguous wholesale liquor dealer room Record 52, which shall show all bottled products (rectified and unrectified) received and disposed of thereat, including those products transferred from his contiguous rectifying plant.

(Secs. 2855, 2857, 3171, I. R. C.)

§ 190.827 *Where noncontiguous wholesale liquor dealer premises are maintained.* Every rectifier who maintains a noncontiguous wholesale liquor dealer premises shall report all bottled products (rectified and unrectified) removed from his rectifying plant on Form 45 kept at such plant. He shall keep Record 52 at such noncontiguous wholesale liquor dealer premises, which shall show all bottled products (rectified and unrectified) received and disposed of thereat, including products transferred from his noncontiguous rectifying plant and products received from other persons.

(Secs. 2855, 2857, 3171, I. R. C.)

§ 190.828 *Record of warehouse receipts to be kept by rectifier.* Every proprietor of a rectifying plant who sells, or offers for sale, distilled spirits by warehouse receipts shall keep a separate record, and render a monthly transcript, of all purchases and sales of warehouse receipts on Form 52-F. There need not be entered on Form 52-F transactions in warehouse receipts not involving the

purchase or sale of distilled spirits, such as the receipt from a warehouseman of warehouse receipts covering the deposit or bottling of spirits in his warehouse or the surrender of warehouse receipts for the bottling of the spirits in bond or their transfer in bond to another warehouse. Entries on Form 52-F shall be made as indicated by the headings of the various columns and lines on the form and the instructions printed thereon or issued in respect thereto, and as required by this part. Form 52-F must be sworn to before an officer authorized to administer oaths: *Provided*, That if the form officially prescribed for such report contains therein a provision for verification by a written declaration that such report is made under penalties of perjury, such report shall be verified by the execution of such declaration, and such declaration so executed shall be in lieu of the oath required herein for verification. The provisions of § 190.830 with respect to the time of making entries, and of § 190.840 with respect to forms to be provided by users, are hereby made applicable to Form 52-F. The provisions of § 190.831 with respect to a separate record of serial numbers of cases are hereby made applicable to Form 52-F with respect to serial numbers of packages and cases purchased or sold by warehouse receipts. The monthly transcript on Form 52-F shall be forwarded to the district supervisor on or before the tenth day of the succeeding month. The physical removal of distilled spirits from the rectifying plant shall continue to be reported on Form 45 in accordance with the provisions of § 190.825. The physical receipt and disposition of distilled spirits at the contiguous wholesale liquor dealer room not used exclusively for products bottled at the rectifying plant shall continue to be reported on Record 52 in accordance with the provisions of § 190.826. The physical receipt and disposition of distilled spirits at the rectifier's noncontiguous wholesale liquor dealer premises shall continue to be reported on Record 52 in accordance with the provisions of § 190.827.

(Secs. 2857, 2858, 3254, I. R. C.)

§ 190.829 *Place where Form 52-F shall be kept.* Every proprietor of a rectifying plant shall keep Form 52-F at the place of business where warehouse receipts are sold or offered for sale.

(Secs. 2857, 2858, 3171, 3254, I. R. C.)

DERIVATION: T. D. 5638.

§ 190.830 *Time of making entries.* Daily entries shall be made on Form 45 and Record 52, as indicated by the headings of the various columns and lines on the form, and the instructions printed thereon or issued in respect thereto, and as required by this part, before the close of the business day next succeeding the day on which the transactions occur. Where the proprietor defers the making of the entries to the next business day, as authorized in this section, he shall keep a separate record, such as invoices, of the removals of spirits, showing the removal data required to be entered on Form 45 or Record 52, respectively, and appropriate memoranda of other transactions required to be entered on such

records, for the purpose of making the entries correctly.

(Secs. 2855, 2857, 3171, I. R. C.)

§ 190.831 Separate record of serial numbers of cases. Serial numbers of cases of spirits disposed of need not be entered on Form 45 or Record 52, provided the proprietor keeps in his place of business a separate record, approved by the district supervisor, showing such serial numbers, with necessary identifying data, including the date of removal and the name and address of the consignee. Such separate record may be kept in book form (including loose-leaf books) or may consist of commercial papers, such as invoices or bills. Such books, invoices, or bills shall be preserved for a period of four years and in such a manner that the required information may be ascertained readily therefrom, and during such period, shall be available during business hours for inspection and the taking of abstracts therefrom by revenue officers. Entries shall be made on such separate approved record before the close of the business day next succeeding the day on which the transactions occur. Where the making of the entries is deferred to the next business day, as authorized in this section, appropriate memoranda shall be maintained for the purpose of making the entries correctly. The proprietor whose separate record has been approved by the district supervisor shall make a notation in the column for reporting serial numbers, as follows: "Serial numbers shown on commercial records per authority dated _____."

(Secs. 2855, 2857, I. R. C.)

§ 190.832 Miscellaneous items. The proprietor may enter on Record 52 as one item the total quantity of different kinds of spirits made up from broken cases sold to the same person on the same day, provided such total quantity is not in excess of 10 gallons. The entry of such items shall be stated as "Miscellaneous" or "Misc." and shall show the date, the name and address of the person to whom sold, and the quantity. The total quantity of such miscellaneous spirits so disposed of during the month shall be reported as "Miscellaneous" in the monthly summary which the proprietor is required to render on Form 338: *Provided*, That the proprietor determines by actual inventory the quantity of each kind of spirits remaining on hand at the end of the month.

(Secs. 2857, 3171, I. R. C.)

§ 190.833 Where wholesaler maintains retail department. Where a wholesale liquor dealer maintains a separate retail liquor dealer department on the same premises, he shall keep Record 52 at his wholesale liquor dealer department and enter thereon all spirits received and disposed of thereat. Distilled spirits transferred from the wholesale department to the retail department shall be reported on Record 52, Part 2, as "Transferred to retail liquor dealer department." Sales of 5 wine gallons or more of distilled spirits to the same person at the same time, filled wholly or partly from the retail liquor

dealer department, shall be entered on Record 52, Part 2, and the quantity taken from the retail department shall be entered on Record 52, Part 1, as "Transferred from the retail liquor dealer department." Where the wholesale liquor dealer sells at both wholesale and retail and does not maintain a separate retail department, all distilled spirits received and disposed of shall be entered on Record 52.

(Secs. 2857, 3171, I. R. C.)

§ 190.834 Reports. Except as otherwise provided in this section, the proprietor shall file, daily, full and complete transcripts of Form 45 (Part 5) and Record 52 on Forms 45 (Part 5), 52A and 52B with the District Supervisor, by delivering or mailing them to such officer on the date the transactions entered therein occurred: *Provided*, That in any case in which the District Supervisor shall direct, the transcripts shall be so filed with the Investigator in Charge instead of with the District Supervisor. The transcripts shall bear the following certification signed by the person or officer authorized to execute Form 45 or 338:

I hereby certify that these transcripts, consisting of _____ pages, disclose all the transactions which occurred during the period covered thereby, and that each entry is correct.

If in any case the District Supervisor shall so authorize, the transcripts, in lieu of being filed daily, may be filed with him on or before the 10th day of the month succeeding the month in which the transactions occurred. In such event, transactions will be entered on Form 45 and Record 52 in accordance with the provisions of § 190.830. A full and complete transcript of Form 45 (except Part 5 where such part is filed daily) shall be prepared and forwarded to the District Supervisor on or before the 10th day of the month succeeding the month in which the transactions occurred. Where Record 52 is kept, a monthly summary report shall be prepared on Form 338, in duplicate, one copy of which will be retained on file and the original forwarded to the District Supervisor on or before the 10th day of the month succeeding the month in which the transactions occurred. The District Supervisor will, after audit, forward one copy of Form 45 to the Commissioner not later than the last day of the month succeeding that for which the report is rendered, and will retain the remaining copy.

DERIVATION: T. D. 5319.

REPORT OF THIRD PARTY TRANSACTIONS

§ 190.835 Additional requirements. The proprietor of the rectifying plant shall report, on Form 45, Part 5, and when Record 52 is kept, on Part 2 and on transcript, Form 52-B, the name and address of each consignee, in the column now designated "Name". In the column now designated "Address", there will be reported the name and address of the person, firm or corporation paying (by advancement or reimbursement) either tax, bottling charge, brokerage fee, handling charge, or clearance fee, indicating which are included. The

heading of both columns will be amended accordingly.

(Secs. 2855, 2859, 3171, I. R. C.)

DERIVATION: T. D. 5626.

§ 190.836 Reporting of shipment or delivery of distilled spirits to third party. Where the proprietor of a rectifying plant ships or delivers distilled spirits to a consignee on the order of another wholesale liquor dealer, detailed records of the transactions shall be kept on Form 45 by the proprietor of the rectifying plant making the shipment or delivery; on Record 52 by the wholesale liquor dealer giving the order; and on Record 52 by the consignee if he is a wholesale liquor dealer. For example, assuming that the proprietor of rectifying plant (A) ships or delivers the distilled spirits to consignee (C) on the order of wholesale dealer (B), entries will be made on the prescribed forms as follows:

(a) The proprietor of the rectifying plant (A) will show in his Form 45 the name and address of wholesale dealer (B) who ordered the distilled spirits, as well as the name and address of consignee (C), the person to whom the distilled spirits are actually shipped or delivered;

(b) Wholesale dealer (B) will show in his Record 52 that the distilled spirits were purchased from rectifier (A), giving both the name and address of (A), and will at the same time make an entry showing that the distilled spirits were shipped or delivered by (A) to consignee (C) giving the name and address of (C); and

(c) Consignee (C), if a wholesale liquor dealer, will show in his Record 52 that the distilled spirits were purchased from wholesale dealer (B) and received by him from the proprietor of rectifying plant (A), giving name and address of both. A copy of Form 45 and transcripts of Record 52 on Forms 52-A and 52-B, required to be filed with the district supervisor, will similarly show the details of such transactions.

(Secs. 2855, 2859, 3171, I. R. C.)

DERIVATION: T. D. 5626.

§ 190.837 Similar third party transactions. Where the proprietor of a rectifying plant keeps Record 52 and is a party to transactions similar to those described in § 190.836, he shall make similar entries of such transactions in Record 52; and the transcripts on Forms 52-A and 52-B required to be filed with the district supervisor, will likewise show the details of the transactions.

(Secs. 2855, 2859, 3171, I. R. C.)

DERIVATION: T. D. 5626.

EXECUTION AND DISPOSITION OF RECORDS AND REPORTS

§ 190.838 Execution of reports. Reports on Forms 45 and 338 must be signed in the same manner as the rectifier's notice, Form 27-B, except that in the case of a corporation the affixing of the corporate seal will not be required. Each report must be verified under oath by the proprietor, or his authorized agent at the rectifying plant or wholesale liquor dealer premises, as the case may be: *Provided*, That if the form officially pre-

scribed for such report contains therein a provision for verification by a written declaration that such report is made under penalties of perjury, such report shall be verified by the execution of such declaration, and such declaration so executed shall be in lieu of the oath required herein for verification. Where Form 45, or Form 338, is signed by an agent, proper power of attorney authorizing the agent to execute the reports for the proprietor must be filed with the district supervisor. In the case of Form 45 the power of attorney will be filed in duplicate, one copy of which will be forwarded by the district supervisor to the Commissioner.

(Secs. 2855, 2857, I. R. C.)

§ 190.839 Preservation of records. Records kept on Form 45 and Record 52 shall be preserved for a period of four years, and during such period shall be available during business hours for inspection and the taking of abstracts therefrom by the Commissioner or any internal revenue officer.

(Secs. 2855, 2857, 3171, I. R. C.)

§ 190.840 Forms to be provided by users. Records 52 and Forms 45, 52-A, 52-B, 122, 230, 237, and 338 will be provided by users at their own expense but must be in the form prescribed by the Commissioner: *Provided*, That, with the approval of the Commissioner, the forms may be modified to adapt their use to tabulating or other mechanical equipment: *And provided further*, That, where the form is printed in book form, including loose-leaf books, the instructions may be printed on the cover or the flyleaf of the book instead of on the individual form.

(Secs. 2855, 2859, 3171, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.841 Filing of forms. Rectifiers shall maintain separate files for Forms 122, 230 (and Form 230 or Form 237 attached thereto in the case of spirits received by pipe line from another rectifying plant), 237, 703-A, 1440, and 1520, and shall file all such forms in serial order in their respective files and shall preserve them for a period of four years at the rectifying plant, available for inspection by Government officers.

§ 190.842 Examination by Government officers. Government officers inspecting rectifying plants, or assigned to duty thereat, will examine Form 45 (and 52, if kept) from time to time to see that they are being properly kept and will see that copies of Forms 45, 122, 230 (and Form 230 or Form 237 attached thereto in the case of spirits received by pipe line from another rectifying plant), 237, 703-A, 1440, and 1520, are being retained in proper order by the rectifier at the rectifying plant, available for inspection by Government officers.

SUBPART LL—GOVERNMENT OFFICER'S RECORD AND REPORT OF RED STRIP STAMPS

§ 190.855 Record, Part I, Form 182. Government officers assigned to rectifying plants will keep a record of strip stamps received and used on Part I of Form 182. Entries will be made on Form

182 daily, as indicated by the headings of the various columns and lines on the form, and in accordance with the instructions printed thereon or issued in respect thereto, and as required by this part. The record will be kept in bound form, available for inspection by other Government officers.

(Secs. 2803 (d), 3171, I. R. C.)

§ 190.856 Monthly report, Part II, Form 182. At the close of the month or within five days thereafter, the Government officer will prepare a monthly report on Part II of Form 182, in triplicate, of strip stamps received and used during the month. The officer will retain one copy of Part II, available for inspection by other Government officers, furnish one copy to the rectifier, and forward the remaining copy to the district supervisor.

(Sec. 2803 (d), I. R. C.)

SUBPART MM—SAFEGUARDING RED STRIP STAMPS AND GOVERNMENT PROPERTY

§ 190.895 Storage in Government cabinet. The rectifier's supply of red strip stamps, the Government seals, and the Government officer's records and other Government property when not in use, shall be kept in the Government cabinet, which shall be locked with a Government seal lock, the key to which shall at all times remain in the possession of the Government officer. The officer must not leave the cabinet open, except in his presence, or give the key thereof to anyone except another Government officer authorized to receive it. Where it is necessary to open the cabinet at various times during the day, the seal will not be inserted until the lock is closed for the night, unless the duties of the Government officer require him to leave the rectifying plant during the day.

SUBPART NN—OPERATING UNDER A NEW NAME OR UNDER DIFFERENT TRADE NAMES OR STYLES

§ 190.900 Qualification of proprietor. Whenever the proprietor of a rectifying plant desires to change the individual or corporate name, or the trade name or style in which the rectifying plant is operated, he must secure approval of such change in the manner prescribed in §§ 190.240-190.256 prior to the commencement of operations: *Provided*, That where the rectifier desires to bottle spirits under more than one trade name or style and such trade name or style has been specified on an approved Form 27-B, and has also been specified on the rectifier's Federal Alcohol Administration Act permit and he has secured certificates of label approval or certificates of exemption from label approval for the labeling of spirits under such trade name or style, the rectifier shall state on Form 230 or Form 237, as the case may be, his desire to bottle and label the particular lot of spirits or wines covered by the form under such name or style, and upon approval of the form in the usual manner, he may so bottle and label the particular spirits covered by Form 230 or Form 237, as the case may be, without filing an amended notice on Form 27-B or changing the name under which the rectifying plant is then qualified and operated.

§ 190.901 Spirits in process of rectification or bottling. Whenever a rectifier desires to operate his rectifying plant under a new individual or corporate name, or a trade name or style other than the trade name or style under which he is then operating, and has complied with the provisions of § 190.900, he will not be required to complete the rectification of spirits or wines dumped for the purpose, or the bottling or packaging of spirits or wines covered by approved Forms 230 or 237, before commencing business under the new individual or corporate name or under such other trade name or style.

§ 190.902 Outstanding Forms 230 and 237. When a change in the individual or corporate name, or in the trade name or style, takes place at a rectifying plant the proprietor shall enter on both copies of each outstanding Form 230 and on all copies of each outstanding Form 237 the total quantity of spirits bottled under each prior to the effective date of the change, giving all the information by the form. Each of such entries shall be followed by a statement, dated and signed by the rectifier, showing that the remainder of the spirits or wines described on the form are to be bottled under the new name. Upon completion of the bottling the proprietor will complete the execution of the forms under the new name, and, after submitting them to the Government officer for verification, will dispose of them in the manner prescribed in Subparts BB and FF of this part. If Form 237 covers spirits to be removed in barrels or similar packages the form will be completed in the name under which the rectified spirits stamps were applied for and issued.

§ 190.903 Marking, branding, and labeling. The spirits will be marked, branded, and labeled in the individual or corporate name or trade name or style under which they are packaged or bottled: *Provided*, That if the rectifier is bottling and labeling spirits or wines under a name other than the one in which the plant is operated, he may not use such terms as "Blended by," "Produced by," etc., on the labels.

§ 190.904 Records. Separate records on Forms 45 and 182, will not be required for operations under a new individual or corporate name or under each trade name or style. The rectifier shall, however, note on Form 45 the individual or corporate name or the trade names or styles under which operations were conducted during the month, and the dates of operation under each. The storekeeper-gauger will make a similar notation on Form 182.

DERIVATION: T. D. 5542.

SUBPART OO—CHANGE OF PROPRIETORSHIP

§ 190.915 Completion of operations required. When a succession or actual change in the proprietorship of a rectifying plant takes place other than a change brought about by operation of law, as by the appointment of an administrator, executor, assignee, receiver, trustee, or other fiduciary, the business of rectification, the bottling of liquors rectified, and the bottling of spirits and

wines without rectification must, except as provided in this subpart, be completely finished by the person or persons who have been carrying on the business and all spirits and wines on hand removed from the premises before the business shall be undertaken or begun by the succeeding proprietor. The successor of a rectifier shall not commence operations until all documents required for his qualification as such have been approved by the district supervisor.

§ 190.916 Transfer of spirits to successor. The outgoing rectifier may transfer to his successor all spirits on hand, including those in the process of rectification: *Provided*, That where any spirits to be so transferred have been subjected to a process of rectification, all taxes due thereon shall be paid by the outgoing rectifier before transfer to the successor, irrespective of whether or not the process of rectification has been completed: *And provided further*, That the notice, bond, and other qualifying documents of the successor have been approved by the district supervisor to take effect on the day next succeeding that at the close of which the transfer is to be made. The required qualifying documents of the successor should be submitted to the district supervisor in sufficient time to permit approval for the date desired.

§ 190.917 Gauging of partially rectified products. All partially rectified products to be transferred to the successor shall be drawn from the processing tanks and receptacles into packages or bottling tanks, gauged, and retained therein pending tax-payment by the outgoing rectifier, except that partially rectified spirits in gaugeable packages may be gauged and retained therein pending tax-payment and transfer to the successor, and partially rectified products which are to be further rectified by the successor may be run into a weighing tank, or, if no weighing tank has been provided, into a bottling tank and gauged, and then returned to processing tanks or receptacles and retained therein pending tax-payment and transfer to the successor. A separate Form 237 shall be prepared in quadruplicate for each tank, and in triplicate for each lot of packages containing the same kind of product in the same stage of rectification.

§ 190.918 Determining tax liability of partially rectified products. The tax liability of partially rectified products to be transferred to the successor shall be determined in accordance with the provisions of § 190.591, pertaining to the tax-payment of partially rectified products for removal from the plant. If the partially rectified products are such as are subject to tax under section 3030 (a), I. R. C., the outgoing rectifier shall, as provided by said § 190.591, append to each copy of Form 237, before the same is submitted to the Government officer for certification, and by him submitted to the district supervisor for approval, a precise statement showing the extent to which the products have been rectified and their present character. The district supervisor will specify on the

form the tax or taxes due, and will return all copies to the rectifier.

§ 190.919 Tax-payment of partially rectified products. Upon receipt from the district supervisor of Form 237, with the tax or taxes due duly specified, the outgoing rectifier shall, in the case of all partially rectified products in packages, forward all copies of the form to the collector with remittance for the rectification tax due, if any. The collector will execute the certificate of tax-payment, in all cases where remittance is received, retain one copy, and return the remaining copies to the rectifier, together with the required number of the appropriate class of rectified spirits stamps where packages are listed on the form. The outgoing rectifier will affix the rectified spirits stamps to the packages for which they were issued, and will cancel such stamps and mark and brand the packages, as provided in Subpart GG and Subpart II of this part. In the case of partially rectified products in tanks, the rectification tax of 30 cents per proof gallon shall be paid in accordance with § 190.585. If the Form 237 covers a partially rectified product in a tank, one copy thereof will be attached to the tank pending transfer to the successor, and the original copy with the canceled stamps attached will be disposed of as provided in § 190.586. If the partially rectified product is subject to tax under section 3030 (a), I. R. C., wine stamps representing such tax will be canceled and attached to Form 237 in the manner provided by §§ 190.585 and 190.586.

(Secs. 2803 (b), (d), 2802, 2863, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.920 Completion and disposition of Form 237. When the partially rectified products in packages have been tax-paid (if subject to tax) and removed to the finished products room, and such products in tanks have been tax-paid (if subject to tax) and transferred to the successor, the outgoing rectifier shall make appropriate notation of the disposition of the products on Form 237, and, after approval by the Government officer, will retain one copy of the form and forward the original copy to the district supervisor.

(Sec. 3175, I. R. C.)

DERIVATION: T. D. 5542.

§ 190.921 Rectification of partially rectified products by successor. When rectified products contained in tanks are to be further rectified by the successor, he shall, immediately upon receipt thereof from the outgoing rectifier, prepare and submit Form 122 to show a constructive dumping of the products by him for rectification. The form will be prepared and submitted in the manner prescribed by Subpart X of this part for the regular dumping of spirits for rectification, except that the copy of Form 237 attached to the tank by the outgoing rectifier will be removed and attached to the district supervisor's copy of Form 122 as evidence of the tax-paid character of the product, in lieu of the cut-out portions of the stamps required to be attached to the form when pack-

ages are dumped. Upon completion of the process of rectification, pursuant to an approved formula, the successor shall prepare and submit Form 237 and pay all taxes due on the product in accordance with the procedure prescribed in Subpart BB of this part. Partially rectified products received from the outgoing rectifier in packages may be returned to the rectifying room and dumped for further rectification, pursuant to Form 122, provided appropriate entries are made in Form 45 to show a constructive transfer of the products from the finished products room to the receiving room.

DERIVATION: T. D. 5542.

§ 190.922 Bottling of partially rectified products by successor. Where partially rectified products in bottling tanks are transferred to the successor and such products are to be bottled without further rectification, the successor shall prepare and submit Form 230 in the manner prescribed by Subpart FF of this part, except that the copy of Form 237 attached to the bottling tank by the outgoing rectifier will be removed and attached to the district supervisor's copy of Form 230 as evidence of the tax-paid character of the product in lieu of the cut-out portions of stamps required to be attached to the form when packages are dumped.

DERIVATION: T. D. 5542.

§ 190.923 Tax-payment of completely rectified products. Where completely rectified products are to be transferred to the successor, such products shall be drawn into packages or run into bottling tanks and gauged, Form 237 shall be prepared and submitted, and all taxes due on such products shall be paid by the outgoing rectifier, in accordance with the procedure prescribed in Subpart BB of this part. If completely rectified products in bottling tanks are to be bottled by the successor, the same procedure shall be followed as in the case of the bottling of partially rectified products contained in such tanks.

§ 190.924 Bottling of unrectified products by successor. Where there is a change of proprietorship in a rectifying plant, and products to be bottled without rectification, covered by Form 230, are to be transferred to the successor prior to completion of bottling, the outgoing rectifier shall enter on all copies of each such form the total quantity of products bottled under each by him prior to the effective date of transfer, giving all the information required by the form. Each of such entries shall be followed by a statement dated and signed by the outgoing rectifier showing that the remainder of the products described on the form are to be transferred to the successor. The outgoing rectifier will complete the form, retain one copy, and forward one copy to the district supervisor. When the transfer has been effected, the successor may bottle such products without rectification pursuant to Form 230 filed by him. The Form 230 of the successor should contain a reference to the Form 230 of the predecessor to identify the products.

§ 190.925 *Transfer of strip stamps forbidden.* The outgoing rectifier may not transfer any strip stamps to his successor. Where the change of proprietorship of the plant is to be of a temporary nature, any strip stamps on hand belonging to the outgoing proprietor may be retained in the custody of the storekeeper-gauger pending the qualification and resumption of operations by such proprietor.

(Sec. 2803 (d), I. R. C.)

DERIVATION: T. D. 5542.

§ 190.926 *Rectified spirits stamps and wine stamps forbidden.* The outgoing rectifier may not transfer any rectified spirits stamps or wine stamps to his successor, nor may such stamps be otherwise transferred except as provided by § 190.719. Where the change of proprietorship of the plant is to be of a temporary nature, any rectified spirits stamps and wine stamps on hand will be retained in the custody of the outgoing proprietor (the owner of the stamps) and proper report will be rendered on Form 45. The rectifier will submit a monthly report of such stamps due at the end of any monthly period during the period of temporary discontinuance in accordance with § 190.722 during such period of temporary discontinuance.

(Sec. 2803 (d), I. R. C.)

DERIVATION: T. D. 5542.

§ 190.927 *Records and reports.* Where there is a change in proprietorship otherwise than by operation of law, the outgoing rectifier shall make appropriate entries on Form 45 covering all spirits transferred to his successor, who shall in turn enter such items on his Form 45 as received from his predecessor. The storekeeper-gauger will keep a separate record on Form 182 for the successor.

DERIVATION: T. D. 5542.

§ 190.928 *Succession by fiduciary.* Where a change of proprietorship is brought about by operation of law, the administrator, executor, assignee, receiver, trustee, or other fiduciary may not continue the business until the required qualifying documents have been filed and approved. In the case of such change, the fiduciary shall make appropriate notation of his succession on Form 45 and on all copies of each outstanding Form 230 and Form 237, and upon completion of the bottling of spirits covered by Form 230 or Form 237, he shall complete the execution of the forms and dispose of the same as provided in Subparts BB and FF of this part. The storekeeper-gauger will make similar notation of such succession on Form 182.

DERIVATION: T. D. 5542.

SUBPART PP—DISCONTINUANCE OF OPERATIONS

§ 190.940 *Disposition of spirits.* Upon permanent discontinuance of business, and prior to the filing of notice thereof on Form 27-B, as prescribed in § 190.944, all spirits on hand must have been lawfully removed from the premises. Persons to whom such spirits are sold or delivered must be qualified to receive the same.

§ 190.941 *Disposition of indicia bottles.* If there are any indicia bottles on hand, the same will be inventoried by the storekeeper-gauger or other officer designated for the purpose by the district supervisor. The disposition of such bottles will be in accordance with the procedure prescribed in Regulations 13 (26 CFR, Part 175).

§ 190.942 *Disposition of red strip stamps.* All unused red strip stamps, if any, belonging to the proprietor at the time of permanent discontinuance of business will be inventoried by denomination, serial number, and quantity, by the storekeeper-gauger or other officer designated by the district supervisor to perform such duty. The officer will deliver such stamps to the proprietor and take his receipt therefor, in duplicate. When delivering the stamps the officer will advise the proprietor that the value of the stamps, if in quantities of the value of \$5 or more, may be refunded, provided that a claim for such refund on Form 843, establishing the lawful issuance and ownership of the stamps, is filed with the collector of internal revenue who issued the stamps within two years after the date on which such stamps were lawfully issued, or that such unused stamps may be destroyed in the presence of the Government officer and the proprietor thereby relieved from further accountability for the stamps. If the stamps are not surrendered to the collector for refund of their value or are not destroyed, the proprietor must account for the stamps each month by rendering Form 98 to the district supervisor. The officer shall make a notation on the receipt as to the disposition made or to be made of the stamps. One copy of the receipt will be delivered to the proprietor and the original will be delivered to the district supervisor.

(Sec. 2803, I. R. C.)

§ 190.943 *Disposition of rectified spirits and wine stamps.* All of the rectified spirits stamps and wine stamps, if any, belonging to the proprietor at the time of permanent discontinuance of business will be inventoried by denomination by the storekeeper-gauger after which the same may be disposed of and an account made in accordance with §§ 190.719–190.722.

DERIVATION: T. D. 5542.

§ 190.944 *Notice, Form 27-B.* When all spirits, indicia bottles, and red strip stamps have been lawfully disposed of, the proprietor shall file Form 27-B, in triplicate, with the district supervisor, stating the purpose of the filing thereof to be "Permanent discontinuance of business." The district supervisor will forward a copy of the Form 27-B to the Commissioner, with a copy of the report of the Government officer, reflecting compliance with the foregoing provisions of this section.

SUBPART QQ—MANUFACTURE, TAX-PAYMENT, REMOVAL, AND REGISTRATION OF STILLS AND WORMS

§ 190.955 *General.* Whenever rectifiers manufacture or reconstruct stills or worms, or set up, sell, or remove stills or

distilling apparatus, they must comply with Regulations 23 (26 CFR, Part 181).

(Secs. 2810, 2818, 3650 (j), 3254 (h), I. R. C.)

§ 190.956 *Registry on Form 26.* Every person having in his possession or custody or under his control any still or distilling apparatus that is set up, must register the same on Form 26, in triplicate, with the district supervisor for the district in which it is set up. Stills to be used for the rectification of any type of distilled spirits may be registered for "Rectification of distilled spirits," and the specific type need not be shown. Thereafter, when another type of distilled spirits is to be rectified, the still need not be reregistered. The temporary suspension of a rectifying plant will not necessitate reregistration of the stills. Furthermore, the operation of a rectifying plant by alternating proprietors, where no actual change in ownership occurs, will not require reregistration of the stills by the proprietors. Where there is a change in location or use, or an actual change in ownership of a still, the still must be registered to reflect the change. The district supervisor will, upon approving the registration of a still on Form 26, retain one copy of the form, forward one copy to the Commissioner, and return the remaining copy to the rectifier.

(Secs. 2810, 3170, I. R. C.)

DERIVATION: T. D. 5681.

SUBPART RR—LOCKS AND SEALS

§ 190.965 *Furnished by Government.* The Commissioner will furnish, at the expense of the United States, all Government locks and seals required to be used at rectifying plants. District supervisors will see that rectifying plants in their respective districts are fully equipped with locks in good condition and that the necessary seals are provided for seal locks.

§ 190.966 *Where locks are required.* District supervisors will bear in mind that Government locks are required upon the door of the Government cabinet; upon the entrance door of the wine bottling and export storage rooms, if any; upon the manheads, inlets, outlets, and other openings of storage tanks, receiving tanks, and bottling tanks; upon the manheads of gravity tanks; upon the valves in pipe lines which convey spirits from rectifying stills to receiving tanks where the pipe lines are equipped for refluxing the spirits to the stills or for by-passing the berry basket in the case of gin stills, or which convey spirits into the rectifying plant from contiguous premises; and upon such other valves, stopcocks, and openings in equipment and apparatus as are required by this part or deemed necessary by the district supervisor to be secured with Government locks.

§ 190.967 *Seal locks.* Seal locks will be used on the door of the Government cabinet; on the entrance door of the export storage room, if any; and on such other places where the use of seal locks is required by this part or deemed necessary by the district supervisor.

§ 190.968 *Plain locks.* Plain locks will be used at all other places in the rectifying plant where locks are required by this part.

§ 190.969 *Custody of locks.* Government locks when not required for use at plants will be retained in the possession of the district supervisor. Receipts will be taken by district supervisors from storekeeper-gaugers for all locks and seals issued to them. Storekeeper-gaugers are strictly prohibited from intrusting locks, keys, or seals in their possession to any person other than an internal revenue officer entitled to receive them, and under no circumstances will they permit locks to remain open, whether hanging by the shackle or otherwise.

§ 190.970 *Custody of keys.* The Government officer will keep the keys to Government locks in use under his charge in his custody at all times and will not permit them at any time to go into the possession of the rectifier or any other person, except the district supervisor or another Government officer authorized to receive them.

SUBPART SS—OFFICER'S RIGHT OF ENTRY AND EXAMINATION

§ 190.980 *Authority to enter and inspect.* Internal revenue officers have authority under the law to inspect at any reasonable hour the records, liquors, and premises of rectifiers to determine that all provisions of the internal revenue laws and the regulations promulgated thereunder are being complied with. Officers desiring to make inspections will identify themselves by exhibiting their credentials. Any denial of or interference with such inspection by the rectifier, his agents or employees, is a violation of law and will be reported as such for appropriate action.

(Sec. 3601, I. R. C.)

§ 190.981 *Authority to break up grounds or walls.* Under the law, any internal revenue officer and any persons acting in his aid may break up the ground on any part of the premises of a rectifier or any ground adjoining or near any such premises, or any wall or partition thereof or belonging thereto, or other place, to search for any pipe, cock, private conveyance, or utensil, and upon finding any pipe or conveyance leading from or to such premises to break up any ground, house, wall, or other place through or into which such pipe or conveyance leads, and to break or cut away such pipe or other conveyance. Before taking action under the law, the investigating officer should consult with his superior officer or the district supervisor, unless the circumstances are such as to require immediate action.

(Sec. 2830, I. R. C.)

§ 190.982 *Rectifiers to furnish assistance.* Under the law, on demand of any internal revenue officer, every rectifier shall furnish convenient ladders to enable the officer to examine any vessel or utensil in his rectifying plant, and shall furnish all assistance, lights, tools, or other things necessary for inspecting

the premises and apparatus, and shall open all doors, boxes, packages, and all casks, barrels, and other vessels not under the control of the Government officer in charge thereof.

(Sec. 2838, I. R. C.)

3. The purposes of the proposed regulations are as follows:

(a) To conform to the act of February 21, 1950 (Public Law 448—81st Congress), effective September 1, 1950.

(b) To delegate to district supervisors the authority to approve the establishment of rectifying plants.

(c) To incorporate the regulations governing the gauging of distilled spirits at rectifying plants, now contained in the Gauging Manual (26 CFR, Part 186) but which are being deleted from the current revision of such manual.

(d) To liberalize the requirements pertaining to the separation of rectifying plants from tax-paid bottling houses, wholesale liquor dealer premises, and other rectifying plants operated by the same proprietor or his affiliate or subsidiary.

(e) To require that proprietors of rectifying plants prepare a statement of composition covering spirits to be removed for bottling elsewhere.

(f) To discontinue Form 183, district supervisor's monthly account of rectifying plants.

(g) To prescribe, in lieu of an oath, a declaration subject to the penalties of perjury, for the following forms:

Form 26, "Registry of Stills."

Form 27-B, "Notice by Proprietor of Rectifying Plant."

Form 45, "Rectifier's Monthly Record and Report."

Form 52-F, "Wholesale Liquor Dealer's Monthly Record and Report of Purchases and Sales of Warehouse Receipts for Distilled Spirits."

Form 338, "Wholesale Liquor Dealer's Monthly Report."

Form 702-A, "Winemaker's Report of Production, Receipt, and Disposition of Champagne, Sparkling Wines, and Artificially Carbonated Wines."

Form 1579, "Application for Exchange of Strip Stamps Under Section 2803 (c), I. R. C."

(i) To rearrange the text to conform to the Federal Register Regulations (13 F. R. 5929).

[F. R. Doc. 50-3738; Filed, May 3, 1950; 8:53 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR, Part 64]

[Docket No. 9645]

CHARGES FOR U. S. GOVERNMENT TELEGRAPH COMMUNICATIONS

NOTICE OF PROPOSED RULE-MAKING

In the matter of charges for United States Government telegraph communications. Amendment of Part 64 of the Commission's rules and regulations (miscellaneous rules relating to Common Carriers).

1. Notice is hereby given of proposed rule-making in the above-entitled matter.

2. It is proposed to amend §§ 64.301 *Rates and charges*, 64.304 *Fractions of cent*, 64.305 *Priority*, and 64.310 *Term of Subpart C* (United States Government Foreign and Overseas Telegraph Communications), of Part 64 of the Commission's rules and regulations, to read, respectively, as follows:

§ 64.301 *Rates and charges.* (a) The rates and charges for telegraph communications between the several departments of the Government and their officers, relating exclusively to the public business between points in the United States including its possessions and points in foreign countries and ships at sea, transmitted by any carrier or carriers subject to the terms of a permit or license granted by the President of the United States giving the Postmaster General authority to fix rates for Government communications by telegraph (such a carrier being hereinafter called a domestic carrier) shall, between all points embraced within the scope of such permit or license, not exceed fifty (50) per centum of the charges applicable to full ordinary commercial plain, code and cipher language communications of the same length and between the same points subject to the following: (1) In cases where Government messages are transmitted between any of such points in part over the facilities of any domestic carrier and in part over the facilities of any other carrier, or administration (hereinafter called a foreign carrier), the charges for Government communications shall not exceed the amounts derived by applying the percentage specified herein to the full portion of the commercial charges accruing to the domestic carriers, plus the charges actually made for United States Government communications by foreign carriers; (2) the charges for Government messages in plain, code and cipher language between the following named points, shall be:

Per word

Between Fisherman's Point, Guantanamo Bay, Cuba and Canal Zone; Full ordinary commercial rate applicable, subject to (2) below;

and (3) with respect to Government messages to and from ships at sea the percentage specified shall not apply to the coastal station and ship station charges.

(b) The above provisions of this section are subject to the following qualification: The carriers subject to said provisions are authorized to eliminate such special Government rates: *Provided*, That such special rates are eliminated for the messages of all Governments and international governmental organizations, and over all routes, direct and indirect, and in both directions, between the particular two countries or points involved in each case. Such elimination is to be accomplished by raising the rates for telegraph messages of the United States and foreign governments, and of international governmental organizations, to the level of commercial rates applicable between the two points involved.

Reasons for change: (1) Effective July 1, 1950, the rates for ordinary plain, code and cipher language messages will be the same. The section in its present form provides for charges per word for Government code messages that are lower than for Government messages in plain and cipher language.

(2) To conform with the carriers' actions in deleting special Government rates between points in the United States and points in possessions of the United States and between points in different possessions of the United States in accordance with the conclusions of the Commission in its Report and Order of January 27, 1950, in Docket No. 8230. The section in its present form provides for special rates for Government messages between these points.

§ 64.304 *Fractions of cent.* In cases where the charge for a Government ordinary message, as determined herein, shall include a fraction of a cent, such fraction, if less than one-half, shall be disregarded; if one-half or more, it shall be counted as one cent.

Reason for change: Effective July 1, 1950, there will be unification of rates per word for messages in plain, code and cipher language, and the rules applicable to the rounding up of charges on Government code language messages will be the same as applicable for Government plain language and cipher language messages. The section in its

present form provides for the rounding up of fractions of a cent for Government code language messages that are different than for Government plain language and cipher language messages.

§ 64.305 *Priority.* Every Government ordinary message to which these rules apply and for which priority has been specifically requested by the sender, shall have priority over all other messages regardless of the classification; and every Government ordinary message shall, unless otherwise provided herein, be subject to the classifications, practices and regulations applicable to the corresponding commercial communications.

Reason for change: It is necessary to eliminate the reference to Government code messages which will be discontinued as a message classification effective July 1, 1950.

§ 64.310 *Term.* The provisions of Subpart C shall continue in effect through June 30, 1951, unless changed by order of the Commission.

Reason for change: It is necessary under the applicable cable landing licenses that the Commission act annually and the section in its present form provides that the provisions of Subpart C shall continue in effect through June 30, 1950.

3. No changes are now being proposed in the other provisions of Subpart C.

4. The proposed amendment is issued under the authority of sections 4 (1) and 601 (b) of the Communications Act of 1934, as amended, and pursuant to the provisions of the permits or licenses granted by the President of the United States, giving the Postmaster General authority to fix rates and charges for United States Government telegraph communications transmitted by any carrier or carriers subject to the terms of such permits or licenses, which authority was transferred to the Commission by section 601 (b) of the Communications Act.

5. Any interested person who is of the opinion that the proposed amendment should not be adopted, or should not be adopted in the form set forth, may file with the Commission on or before May 19, 1950, a written statement or brief setting forth his comments. Persons desiring to support the amendment may also file comments by the same date. The Commission will consider all comments, briefs and arguments presented before taking final action with respect to the proposed amendment.

Adopted: April 28, 1950.

Released: April 28, 1950.

FEDERAL COMMUNICATIONS
COMMISSION,
T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3790; Filed, May 3, 1950;
8:51 a. m.]

NOTICES

DEPARTMENT OF THE TREASURY

Fiscal Service, Bureau of Accounts

[Dept. Circ. 570, Rev. Apr. 20, 1943, 1950,
35th Supp.]

FIRE ASSOCIATION OF PHILADELPHIA

SURETY COMPANIES ACCEPTABLE ON FEDERAL
BONDS

APRIL 19, 1950.

A Certificate of Authority has been issued by the Secretary of the Treasury to the above company under the act of Congress approved August 13, 1894, 28 Stat. 279-80, as amended by the act of Congress approved March 23, 1910, 36 Stat. 241 (6 U. S. C. 6-13) as an acceptable surety on Federal bonds. An underwriting limitation of \$1,636,000.00 has been established for the company. Further details as to the extent and localities with respect to which the company is acceptable as surety on Federal bonds will appear in the next issue of Treasury Department Form 356, copies of which, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Section of Surety Bonds, Washington 25, D. C.

[SEAL] E. H. FOLEY, Jr.,
Acting Secretary of the Treasury.

[F. R. Doc. 50-3788; Filed, May 3, 1950;
8:51 a. m.]

No. 86—9

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 8209, 9526]

COAST BROADCASTERS AND SEASIDE
BROADCASTING CO.

ORDER CONTINUING HEARING

In re applications of Coast Broadcasters, Astoria, Oregon, Docket No. 8209, File No. BP-5460; Seaside Broadcasting Company, Seaside, Oregon, Docket No. 9526, File No. BP-7375; for construction permits.

The Commission having under consideration the above-entitled applications of Coast Broadcasters and Seaside Broadcasting Company, for permits to construct new standard broadcast stations, respectively, at Astoria, Oregon, and Seaside, Oregon, which are now scheduled for a consolidated hearing to be held in Washington, D. C., at 10:00 a. m., on Monday, May 1, 1950; and

It appearing, that the Hearing Examiner who has been assigned to preside in the said hearing has also been assigned to conduct another hearing beginning on Friday, April 28, 1950, which is not expected to be concluded on or prior to Monday, May 1, 1950;

It is ordered, On the Commission's own motion, this 26th day of April 1950, that the hearing on the above-entitled applications be, and it is hereby, con-

tinued to 10:00 a. m., Monday, May 22nd, 1950.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3801; Filed, May 3, 1950;
8:52 a. m.]

[Docket No. 9524]

FARMINGTON BROADCASTING CO.

ORDER CONTINUING HEARING

In re application of Frank P. Stoklas and Rex Chambers, Jr., d/b as Farmington Broadcasting Company, Farmington, New Mexico, for construction permit; Docket 9524, File No. BP-7304.

The Commission having under consideration a petition by the General Counsel, filed April 26, 1950, requesting that the hearing herein be continued to June 1, 1950, in order that the applicant may have sufficient time to file a proper pleading for the dismissal of its application in lieu of the letter requesting such dismissal which the applicant filed on April 17, 1950; and

It appearing that there are no other parties to the proceeding other than the General Counsel:

It is therefore ordered, This 26th day of April 1950, that the petition of the

General Counsel be and it is hereby granted and the hearing herein is hereby continued to June 1, 1950, at 10:00 a. m., in Washington, D. C.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3802; Filed, May 8, 1950;
8:52 a. m.]

[Docket No. 9639]

LAMESA BROADCASTING CO. (KPET)

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of R. O. Parker, R. A. Woodson and K. S. Ashby d/b as Lamesa Broadcasting Company (KPET) Lamesa, Texas, for modification of license; Docket No. 9639, File No. BML-1266.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 21st day of April 1950;

The Commission having under consideration the above-entitled application for modification of license for Station KPET, Lamesa, Texas, to change hours of operation from daytime only to unlimited time;

It appearing, that, the applicant is legally, technically, financially and otherwise qualified to operate Station KPET as proposed and that no objectionable interference would be involved to any existing station or with the services proposed in any other pending applications for broadcast facilities, but that the application otherwise may not comply with the Standards of Good Engineering Practice;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application is designated for hearing at 10:00 a. m. on August 11, 1950, at Washington, D. C., upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the operation of Station KPET as proposed and the character of other broadcast service available to those areas and populations.

2. To determine whether the operation of Station KPET as proposed would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations with particular reference to those provisions pertaining to the assignment of stations where objectionable interference would be received to a field intensity contour greater than that specified for a station of its class and to the population residing between the normally protected and interference free nighttime contours.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3796; Filed, May 3, 1950;
8:51 a. m.]

[Docket Nos. 9640, 9641]

SCRANTON RADIO CORP. AND DAVID M.
BALTIMORE

ORDER DESIGNATING APPLICATIONS FOR
CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Scranton Radio Corporation, Scranton, Pennsylvania, Docket No. 9640 File No. BP-7184; David M. Baltimore, Scranton, Pennsylvania, Docket No. 9641, File No. BP-7541; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 21st day of April 1950;

The Commission having under consideration the above-entitled applications of Scranton Radio Corporation and David M. Baltimore, each requesting a construction permit to construct a new standard broadcast station to be operated on 1400 kilocycles, 250 watts power, unlimited time, at Scranton, Pennsylvania, contingent on Station WARM relinquishing 1400 kilocycles;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications are designated for hearing in a consolidated proceeding commencing at 10:00 a. m. on August 14, 1950, at Washington, D. C., upon the following issues:

1. To determine the legal, technical, financial and other qualifications of the Scranton Radio Corporation, its officers, directors and stockholders and the legal, technical, financial, and other qualifications of David M. Baltimore to operate the proposed stations.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed stations, and the character of other broadcast service available to such areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of both of the proposed stations would involve objectionable interference with Station WEST, Easton, Pennsylvania, or with any other existing broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed stations would involve objectionable interference, each with the other, or with the services proposed in any other pending applications for broadcast facilities, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed stations would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations with particular reference to the coverage to the city of Scranton, Pennsylvania, and to the Scranton-Wilkes-Barre metropolitan area.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

It is further ordered, That the Associated Broadcasters, Inc., licensee of Station WEST, Easton, Pennsylvania, be made a party to this proceeding.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3797; Filed, May 3, 1950;
8:52 a. m.]

[Docket No. 9643]

NEWS-PRESS PUBLISHING CO. (KTMS)

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of News-Press Publishing Company (KTMS), Santa Barbara, California, for construction permit; Docket No. 9643, File No. BP-7308.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 21st day of April 1950;

The Commission having under consideration the above-entitled application requesting a construction permit to change transmitter site and antenna system;

It appearing, that the applicant is legally, technically, financially, and otherwise qualified to construct and operate Station KTMS as proposed, that no interference would be caused to any existing or proposed station but that the proposed station may not comply with the Standards of Good Engineering Practice, particularly with reference to the population residing within the 500 mv/m and the 250 mv/m blanket contours;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application is designated for hearing in Washington, D. C., on the 18th day of August 1950, upon the following issue:

1. To determine whether the installation and operation of Station KTMS as proposed would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations, with particular reference to the populations residing within the 500 mv/m and the 250 mv/m blanket contours.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3799; Filed, May 3, 1950;
8:52 a. m.]

[Docket No. 9644]

FERGUS RADIO CORP. (KGDE)

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of Fergus Radio Corporation (KGDE), Fergus Falls, Minn.

nesota, for construction permit. Docket No. 9644, File No. BP-7457.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 21st day of April 1950:

The Commission having under consideration the above-entitled application of the Fergus Radio Corporation requesting a construction permit for Station KGDE, Fergus Falls, Minnesota, to change frequency from 1230 to 1250 kilocycles, to increase power from 250 watts to 1 kilowatt, and to use a directional antenna at night;

It appearing, that the applicant is legally, technically, financially, and otherwise qualified to operate Station KGDE as proposed, but that the application may involve interference with one or more existing stations, and otherwise not comply with the Standards of Good Engineering Practice;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application is designated for hearing to commence at 10:00 a. m. August 21, 1950, at Washington, D. C., upon the following issues:

1. To determine whether the operation of Station KGDE as proposed will involve objectionable interference with Station CKSB, St. Boniface, Manitoba, Canada, or with any other existing stations and, if so, the nature and extent thereof, and whether such interference would be in violation of the Commission's rules and Standards of Good Engineering Practice.

2. To determine whether the proposed operation would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations with special reference to the areas and populations to be served.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3800; Filed, May 3, 1950;
8:52 a. m.]

[Docket No. 9634]

MIDWEST BROADCASTING CORP.

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of Midwest Broadcasting Corporation, Montevideo, Minnesota, for construction permit; Docket No. 9634, File No. BP-7458.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 21st day of April 1950:

The Commission having under consideration the above-entitled application requesting a construction permit for a new Standard Broadcast Station at Montevideo, Minnesota, to operate unlimited time on 1450 kilocycles with 250 watts power;

The Commission also having under consideration a petition filed March 15, 1950, by the Times Publishing Company,

licensee of Station KFAM, St. Cloud, Minnesota, alleging the operation proposed by the Midwest Broadcasting Corporation would cause objectionable interference to Station KFAM and requesting that the application of the Midwest Broadcasting Corporation be designated for hearing and Station KFAM made a party to the proceeding;

It appearing, that, the applicant is legally, technically, financially, and otherwise qualified to operate the proposed station but that the proposed operation may involve objectionable interference with one or more existing stations or otherwise not comply with the Commission's rules and Standards of Good Engineering Practice;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application is designated for hearing at Washington, D. C., on the 2d day of August 1950, upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

2. To determine whether the proposed operation would involve objectionable interference with Station KFAM, St. Cloud, Minnesota, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

3. To determine whether the proposed operation would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

It is further ordered, That the petition of the Times Publishing Company, licensee of Station KFAM, St. Cloud, Minnesota, is granted and that the Times Publishing Company is made a party to this proceeding.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3792; Filed, May 3, 1950;
8:51 a. m.]

[Docket Nos. 9635, 9636]

NORTH ALABAMA BROADCASTING CO. AND
ATTALLA BROADCASTING CO.

ORDER DESIGNATING APPLICATIONS FOR CON-
SOLIDATED HEARING ON STATED ISSUES

In re applications of H. H. Kinney and D. T. Kinney, a partnership d/b as North Alabama Broadcasting Company, Gunterville, Alabama, Docket No. 9635, File No. BP-5666; Cary Lee Graham tr/as Attalla Broadcasting Company, Attalla, Alabama, Docket No. 9636, File No. BP-7540; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 21st day of April 1950:

The Commission having under consideration the above-entitled applications of H. H. Kinney and D. T. Kinney d/b as

North Alabama Broadcasting Company which requests a permit to construct a new standard broadcast station to operate on frequency 940 kilocycles, with 250 watts power, daytime only at Gunterville, Alabama and of Cary Lee Graham tr/as Attalla Broadcasting Company which requests a permit to construct a new standard broadcast station to operate on frequency 930 kilocycles, with 1 kilowatt power daytime only at Attalla, Alabama;

It appearing, that, the application of North Alabama Broadcasting Company requests authorization to operate daytime only on a United States Clear Channel and pursuant to the Commission's policy with respect to such requests has been placed in the pending file to await decisions in the hearings regarding Clear Channels. (Docket Number 6741) and Daytime Skywave Transmissions (Docket Number 8333); and

It further appearing, that, the said application of North Alabama Broadcasting Company may involve mutually exclusive interference with the application of Cary Lee Graham and that it is the policy of the Commission as announced in the public notice of August 9, 1946 to remove applications placed in the pending file for the aforesaid reason, for the purpose of designating same for hearing in a consolidated proceeding with conflicting applications for operation on adjacent channels;

It is ordered, That, the application of North Alabama Broadcasting Company is removed from the pending file and that, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications are designated for hearing in a consolidated proceeding, at Washington, D. C., at 10:00 a. m., on August 7, 1950, upon the following issues:

1. To determine the legal, technical, financial and other qualifications of the applicant partnership and the partners and of the individual applicant to construct and operate the proposed stations.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed stations and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed stations would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed stations would involve objectionable interference each with the other or with the services proposed in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed stations would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in this consolidated proceeding should be granted.

It is further ordered. That, if, as a result of the consolidated proceeding, it appears that, were it not for the issues pending in the hearings regarding Clear Channels (Docket Number 6741) and in the hearing regarding Daytime Skywave Transmissions (Docket Number 8333) and the Commission's policy pertaining thereto as announced in the public notices of August 9, 1946 and May 9, 1947, the public interest would be best served by a grant of the application of North Alabama Broadcasting Company, then said application shall be returned to the pending file until after conclusion of the said hearings regarding Clear Channels and Daytime Skywave Transmissions, at which time it will be considered in connection with any other pending applications with which it may then be in conflict.

FEDERAL COMMUNICATIONS

COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3793; Filed, May 3, 1950;
8:51 a. m.]

[Docket No. 9637]

RADIO ATHENS, INC. (WRFC) AND
MAY BROADCAST CO. (KMA)

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of Radio Athens, Inc. (WRFC), Athens, Georgia, for construction permit and re petition of May Broadcast Company (KMA), Shenandoah, Iowa, requesting that application of Radio Athens, Inc., be designated for hearing; Docket No. 9637, File No. BP-7415.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 21st day of April 1950;

The Commission having under consideration the above-entitled application of Radio Athens, Inc., requesting a construction permit to change facilities by increasing hours from daytime only to unlimited, using 500 w with a directional antenna at night at Station WRFC, Athens, Georgia, and also having under consideration a petition filed by May Broadcasting Company, licensee of Station KMA, Shenandoah, Iowa, seeking to have said application designated for hearing, and a motion to dismiss the said petition, filed March 23, 1950, by Radio Athens, Inc.;

It appearing, that the applicant is legally, technically, financially and otherwise qualified to construct and operate Station WRFC as proposed but that the proposed operation may involve interfer-

ence with one or more existing stations, and otherwise not comply with the Standards of Good Engineering Practice; and

It is ordered. That the said petition is granted, that the said motion is denied, and that pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application is designated for hearing on the 9th day of August 1950, at Washington, D. C., upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the operation of Station WRFC as proposed and the character of other broadcast service available to those areas and populations.

2. To determine the type and character of program service proposed to be rendered by Station WRFC as proposed and whether it would meet the requirements of the populations and areas proposed to be served.

3. To determine whether the operation of Station WRFC as proposed would involve objectionable interference with Station WDBJ, Roanoke, Virginia, Station KMA, Shenandoah, Iowa, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

4. To determine whether Station KMA, Shenandoah, Iowa, renders primary service to ninety percent of the population of the area between its normally protected contour and the contour to which it actually serves and, if so, to determine in what respects and to what extent, if any, the general program service supplied differs from the general program service of other stations serving this area.

5. To determine whether the installation and operation of Station WRFC as proposed would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations, with particular reference to the coverage of the city of Athens, Georgia.

It is further ordered. That the Times-World Corporation, licensee of Station WDBJ, Roanoke, Virginia, and May Broadcasting Company, licensee of Station KMA, Shenandoah, Iowa, are made parties to this proceeding.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3794; Filed, May 3, 1950;
8:51 a. m.]

[Docket No. 9493]

MUSIC BROADCASTING CO. (WGRD)

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of Music Broadcasting Company (WGRD), Grand Rapids, Michigan, for construction permit; Docket No. 9493, File No. BP-6723.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 21st day of April 1950;

The Commission having under consideration the above-entitled application for a construction permit to change the hours of operation of Station WGRD, Grand Rapids, Michigan, from daytime only to unlimited time, change power from 1 kilowatt day to 5 kilowatts day and night and install directional antenna for night use;

It appearing, that the applicant is legally, technically, financially, and otherwise qualified to operate Station WGRD as proposed, but that the application may involve interference with one or more existing stations and otherwise not comply with the Standards of Good Engineering Practice;

It is ordered. That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application is designated for hearing at Washington, D. C., on the 4th day of August 1950, upon the following issues:

1. To determine the areas and populations which may be expected to gain or lose primary service from the operation of Station WGRD as proposed.

2. To determine whether the operation of Station WGRD as proposed would involve objectionable interference with Stations WELL, Battle Creek, Michigan, and WRMN, Elgin, Illinois, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

3. To determine whether the operation of Station WGRD as proposed would involve objectionable interference with the services proposed in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

4. To determine whether the installation and operation of Station WGRD as proposed would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations with particular reference to the following matters: (1) Coverage to the city of Grand Rapids, Michigan, and to the Grand Rapids Metropolitan Area; (2) population residing within the 250 millivolt per meter blanket contour; (3) a nighttime limitation higher than is recommended for a station of its class.

It is further ordered. That Federated Publications, Inc., licensee of Station WELL, Battle Creek, Michigan, and the Elgin Broadcasting Company, licensee of Station WRMN, Elgin, Illinois, are made parties to this proceeding.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 50-3795; Filed, May 3, 1950;
8:51 a. m.]

FEDERAL TRADE COMMISSION

[Docket No. 5712]

RELiance PHARMACEUTICAL CO. ET AL.

ORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING
TESTIMONY

In the matter of Reliance Pharmaceutical Company, a corporation, and Edward S. Morris, William Berrian, and Florence T. Morris, individually and as officers of Reliance Pharmaceutical Company.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission,

It is ordered, That Frank Hier, a trial examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Thursday, June 8, 1950, at ten o'clock in the forenoon of that day P.M., in Room 59, Federal Office Building, Civic Center, San Francisco, California.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the trial examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondents. The trial examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

Issued: April 27, 1950.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.[F. R. Doc. 50-3768; Filed, May 3, 1950;
8:48 a. m.]

[Docket No. 5718]

UNIVERSAL EDUCATIONAL GUILD, INC.,
ET AL.

ORDER APPOINTING TRIAL EXAMINER

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission,

It is ordered, That Webster Ballinger, a trial examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin at a time and place to be later designated by the trial examiner.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the Trial Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondents. The Trial Examiner will then close the taking of testimony and evidence, and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

Issued: April 27, 1950.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.[F. R. Doc. 50-3769; Filed, May 3, 1950;
8:48 a. m.]

[Docket No. 5632]

CHARLES U. BRANCH

ORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING
TESTIMONY

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission,

It is ordered, That Frank Hier, a trial examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Wednesday, May 31, 1950, at ten o'clock in the forenoon of that day, in Department 60, Superior Court, 524 North Spring Street, Los Angeles, California.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the trial examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The trial examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

Issued: April 27, 1950.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.[F. R. Doc. 50-3770; Filed, May 3, 1950;
8:49 a. m.]

[Docket No. 5734]

BASIC FOOD MATERIALS, INC., AND RAY F.
BEERENDORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING
TESTIMONY

In the matter of Basic Food Materials, Inc., a corporation, and Ray F. Beerend, individually and as an officer of said corporation.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission,

It is ordered, That Frank Hier, a trial examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Monday, May 15, 1950, at ten o'clock in the forenoon of that day, c. d. s. t., in Room 802-A, New Post Office Building, 433 West Van Buren Street, Chicago, Illinois.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the Trial Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondents. The trial examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

Issued: April 27, 1950.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.[F. R. Doc. 50-3771; Filed, May 3, 1950;
8:49 a. m.]

[Docket No. 5591]

OLD MISSION TABLET CO.

ORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING
TESTIMONY

In the matter of W. L. Hopperstead, an individual trading as Old Mission Tablet Company.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission,

It is ordered, That Frank Hier, a trial examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence

begin on Thursday, May 25, 1950, at two o'clock in the afternoon of that day P. S. T., in Department 60, Superior Court, 524 North Spring Street, Los Angeles, California.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the Trial Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The trial examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

Issued: April 27, 1950.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.

[F. R. Doc. 50-3772; Filed, May 3, 1950;
8:49 a. m.]

[Docket No. 5759]

DR. RITHOLZ AND SONS CO. ET AL.

ORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING
TESTIMONY

In the matter of Benjamin D. Ritholz, Morris I. Ritholz, Samuel J. Ritholz, Sylvia Ritholz, Fannie Ritholz, Sophie Ritholz, Jacob Ritholz, Anna Ritholz Bedno, Donald A. Ritholz, and Vera R. Ritholz, individually and as copartners trading as Dr. Ritholz & Sons Company, Dr. Ritholz Optical Company, and under other names.

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission.

It is ordered, That Abner E. Lipscomb, a trial examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Thursday, June 1, 1950, at ten o'clock in the forenoon of that day c. d. s. t., in Room 802-A, New Post Office Building, 433 West Van Buren Street, Chicago, Illinois.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the trial examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondents. The trial examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and con-

clusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

Issued: April 27, 1950.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.

[F. R. Doc. 50-3773; Filed, May 3, 1950;
8:49 a. m.]

[Docket No. 5719]

VITRIFIED CHINA ASSN., INC., ET AL.

ORDER APPOINTING TRIAL EXAMINER AND
FIXING TIME AND PLACE FOR TAKING
TESTIMONY

This matter being at issue and ready for the taking of testimony and the receipt of evidence, and pursuant to authority vested in the Federal Trade Commission.

It is ordered, That Abner E. Lipscomb, a trial examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony and the receipt of evidence begin on Wednesday, May 10, 1950, at ten o'clock in the forenoon of that day, in Room 778, 7th Floor, Federal Trade Commission Building, 6th and Pennsylvania Avenue NW., Washington, D. C.

Upon completion of the taking of testimony and receipt of evidence in support of the allegations of the complaint, the trial examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondents. The trial examiner will then close the taking of testimony and evidence and, after all intervening procedure as required by law, will close the case and make and serve on the parties at issue a recommended decision which shall include recommended findings and conclusions, as well as the reasons or basis therefor, upon all the material issues of fact, law, or discretion presented on the record, and an appropriate recommended order; all of which shall become a part of the record in said proceeding.

Issued: April 27, 1950.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.

[F. R. Doc. 50-3774; Filed, May 3, 1950;
8:49 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 25063]

EXPLOSIVES FROM GOMEX, UTAH, TO
WICHITA FALLS, TEX.

APPLICATION FOR RELIEF

MAY 1, 1950.

The Commission is in receipt of the above-entitled and numbered applica-

tion for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for and on behalf of carriers parties to his tariff I. C. C. No. 3703.

Commodities involved: Explosives, carloads.

From: Gomex, Utah.

To: Wichita Falls, Tex.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3703, Supplement 154.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 50-3764; Filed, May 3, 1950;
8:48 a. m.]

[4th Sec. Application 25064]

RUBBER TIRES FROM MEMPHIS, TENN., TO
OKLAHOMA CITY, OKLA.

APPLICATION FOR RELIEF

MAY 1, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for and on behalf of carriers parties to his tariff I. C. C. No. 3708.

Commodities involved: Tires, rubber, carloads.

From: Memphis, Tenn.

To: Oklahoma City, Okla.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3708, Supplement 248.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or

formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-3763; Filed, May 3, 1950;
8:48 a. m.]

[4th Sec. Application 25065]

SUGAR FROM WEST AND SOUTHWEST TO
SOUTHWEST AND KANSAS

APPLICATION FOR RELIEF

MAY 1, 1950.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for and on behalf of carriers parties to the tariffs named below.

Commodities involved: Sugar, beet or cane, carloads.

From: Points in Louisiana, Texas, Colorado, Idaho, Utah, Oregon and other western origins.

To: Points in Oklahoma, Texas and Kansas.

Grounds for relief: To maintain origin point relationships.

Schedules filed containing proposed rates: D. Q. Marsh's tariff I. C. C. No. 3662, Supplement 68. D. Q. Marsh's tariff I. C. C. No. 3865, Supplement 1. L. E. Klipp's tariff I. C. C. No. A-3664, Supplement 35.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-3762; Filed, May 3, 1950;
8:48 a. m.]

[Rev. S. O. 562, Amt. 1 to King's I. C. C. Order 22]

MINNESOTA AND NORTH DAKOTA

DIVERSION OR REROUTING OF TRAFFIC

Upon further consideration of King's I. C. C. Order No. 22 and good cause appearing therefor: *It is ordered*, That:

King's I. C. C. Order No. 22, be, and it is hereby amended by substituting the following paragraph (e) for paragraph (e) thereof:

(e) *Expiration date.* This section shall expire at 11:59 p. m., May 28, 1950, unless otherwise modified, changed, suspended, or annulled.

It is further ordered, That this amendment shall become effective at 11:59 p. m., April 28, 1950, and that this order shall be served upon the Association of American Railroads, Car Service Division, as agent of all the railroads subscribing to the car service and per diem agreement under the terms of that agreement, and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., April 28, 1950.

INTERSTATE COMMERCE
COMMISSION,
HOMER C. KING,
Agent.

[F. R. Doc. 50-3776; Filed, May 3, 1950;
8:49 a. m.]

[Sec. 5a Application 21]

ILLINOIS FREIGHT ASSN.

APPLICATION FOR APPROVAL OF AGREEMENT
MAY 1, 1950.

The Commission is in receipt of the above-entitled and numbered application for approval of an agreement under the provisions of section 5a of the Interstate Commerce Act.

Filed April 28, 1950, by: R. G. Raaseh, Attorney-in-Fact, Room 236, Union Station, 516 West Jackson Boulevard, Chicago 6, Illinois.

Agreement involved: An agreement between and among common carriers by railroad relating to rates, classifications, divisions, allowances, charges (including charges between carriers and compensation paid or received for the use of facilities and equipment), rules and regulations pertaining thereto, for the transportation of property between points in Illinois territory as defined in Illinois Classification, 55 I. C. C. 290, 295, and procedures for the joint initiation, consideration and establishment thereof.

The complete application may be inspected at the office of the Commission in Washington, D. C.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 20 days from the date of this notice. As provided by the general rules of practice of the Commission, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 50-3775; Filed, May 3, 1950;
8:49 a. m.]

HOUSING AND HOME FINANCE AGENCY

Public Housing Administration

DESCRIPTION OF AGENCY AND PROGRAMS AND FINAL DELEGATIONS OF AUTHORITY

Section III, Field Organization and Final Delegations of Authority, paragraph b8, is amended by adding subparagraph (i) as follows:

(i) To execute on behalf of the PHA waivers of the provisions of paragraph 21 of Preliminary Loan Contracts only to the following extent:

(1) To permit a Local Housing Authority to contract for the personal services of a former member within one year after he has ceased to be a member.

(2) To permit a Local Housing Authority to enter into a Preliminary Loan Depositary Agreement with a Bank having as an official, a member of the Local Housing Authority.

Approved: April 28, 1950.

[SEAL] WARREN JAY VINTON,
Acting Commissioner.

[F. R. Doc. 50-3778; Filed, May 3, 1950;
8:49 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File Nos. 7-1199, 7-1217, 7-1218]

AMERICAN POWER & LIGHT CO. ET AL.

NOTICE OF APPLICATION FOR UNLISTED TRADING PRIVILEGES, AND OF OPPORTUNITY FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 27th day of April A. D. 1950

In the matter of applications by the Philadelphia-Baltimore Stock Exchange for unlisted trading privileges in American Power & Light Company, Capital Stock, Without Par or Face Value, File No. 7-1199; Florida Power & Light Company, Common Stock, No Par Value, File No. 7-1217; Admiral Corporation, Common Stock, \$1 Par Value, File No. 7-1218.

The Philadelphia-Baltimore Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application to extend unlisted trading privileges to each of the above-mentioned securities, each of which is registered and listed on the New York Stock Exchange.

Rule X-12F-1 provides that the applicant shall furnish a copy of each application to the issuer and to every exchange on which the security is listed or already admitted to unlisted trading privileges. Each application is available for public inspection at the Commission's principal office in Washington, D. C.

Notice is hereby given that, upon request of any interested person received prior to May 19, 1950, the Commission will set the matter down for hearing. In addition, any interested person may submit his views or any additional facts bearing on these applications by means of a letter addressed to the Secretary of the Securities and Exchange Commis-

sion, Washington, D. C. If no one requests a hearing, these applications will be determined by order of the Commission on the basis of the facts stated in the applications, and other information contained in the official files of the Commission.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 50-3756; Filed, May 3, 1950;
8:47 a. m.]

[File Nos. 7-1230, 1231]

AMERICAN POWER & LIGHT CO. AND
FLORIDA POWER & LIGHT CO.

NOTICE OF APPLICATION FOR UNLISTED TRADING PRIVILEGES, AND OF OPPORTUNITY FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 28th day of April A. D. 1950.

In the matter of applications by the Los Angeles Stock Exchange for unlisted trading privileges in American Power & Light Company Capital Stock, No Par Value, File No. 7-1230; Florida Power & Light Company, Common Stock, No Par Value, File No. 7-1231.

The Los Angeles Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application to extend unlisted trading privileges to each of the above-mentioned securities, each of which is registered and listed on the New York Stock Exchange.

Rule X-12F-1 provides that the applicant shall furnish a copy of each application to the issuer and to every exchange on which the security is listed or already admitted to unlisted trading privileges. Each application is available for public inspection at the Commission's principal office in Washington, D. C.

Notice is hereby given that, upon request of any interested person received prior to May 31, 1950, the Commission will set the matter down for hearing. In addition, any interested person may submit his views or any additional facts bearing on these applications by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D. C. If no one requests a hearing, these applications will be determined by order of the Commission on the basis of the facts stated in the applications, and other information contained in the official files of the Commission.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 50-3761; Filed, May 3, 1950;
8:48 a. m.]

[File No. 7-1232]

SOUTHERN CO.

NOTICE OF APPLICATION FOR UNLISTED TRADING PRIVILEGES, AND OF OPPORTUNITY FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its

office in the city of Washington, D. C., on the 28th day of April A. D. 1950.

The Detroit Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application for unlisted trading privileges in the Common Stock, \$5.00 Par Value, of The Southern Company, a security listed and registered on the New York Stock Exchange.

Rule X-12F-1 provides that the applicant shall furnish a copy of the application to the issuer and to every exchange on which the security is listed or already admitted to unlisted trading privileges. The application is available for public inspection at the Commission's principal office in Washington, D. C.

Notice is hereby given that, upon request of any interested person received prior to June 2, 1950, the Commission will set this matter down for hearing. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington, D. C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application, and other information contained in the official file of the Commission pertaining to this matter.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 50-3760; Filed, May 3, 1950;
8:47 a. m.]

[File No. 70-2368]

GRANITE STATE ELECTRIC CO. AND NEW
ENGLAND ELECTRIC SYSTEM

ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 27th day of April A. D. 1950.

New England Electric System ("NEES"), a registered holding company, and its public utility subsidiary, Granite State Electric Company ("Granite State"), having filed a joint application pursuant to the Public Utility Holding Company Act of 1935, particularly sections 6 (b) and 10 thereof and Rule U-42 (b) (2) of the rules and regulations promulgated thereunder, with respect to the following proposed transactions:

Granite State proposes to issue and sell 3,500 additional shares of common stock of the par value of \$100 each and NEES, the owner of all of the presently outstanding common stock of Granite State, proposes to acquire said additional shares for a cash consideration of \$350,000. Granite State proposes to apply part of the proceeds derived from said sale to pay its short-term note indebtedness which, as at January 31, 1950, amounted to \$298,000. The balance of the proceeds, amounting to \$52,000, will be used to reimburse the treasury for,

or to pay for, construction expenditures and the acquisition of property.

The joint application states that incidental services in connection with the proposed transactions will be performed by New England Power Service Company, an affiliated service company, at the actual cost thereof, estimated not to exceed \$1,500 with respect to Granite State and \$300 with respect to NEES. The total expenses to be borne by Granite State are estimated at \$1,965. The joint application further states that the Public Service Commission of New Hampshire has approved the proposed sale of common stock by Granite State and that no State Commission or Federal Commission, other than this Commission, has jurisdiction over the acquisition of said stock by NEES.

NEES and Granite State request that the Commission's order herein become effective upon the issuance thereof.

Said application having been filed on April 3, 1950, and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to said act and the Commission not having received a request for hearing with respect to said application within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The Commission finding that the proposed transactions are in compliance with the applicable standards of the act, that no adverse findings are necessary in connection therewith and the Commission deeming it appropriate that said application be granted without the imposition of any terms and conditions other than those contained in Rule U-24 and the Commission also deeming it appropriate to grant applicant's request that the order herein become effective forthwith upon its issuance:

It is ordered, Pursuant to said Rule U-23 and the applicable provisions of said act that said application be, and the same hereby is, granted forthwith, subject to the terms and conditions contained in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 50-3759; Filed, May 3, 1950;
8:47 a. m.]

[File No. 70-2372]

WORCESTER COUNTY ELECTRIC CO. AND
NEW ENGLAND ELECTRIC SYSTEM

NOTICE OF FILING

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 27th day of April A. D. 1950.

Notice is hereby given that New England Electric System ("NEES"), a registered holding company, and its subsidiary public utility company, Worcester County Electric Company ("Worcester County"), have filed a joint application with this Commission pursuant to the Public Utility Holding Company Act of 1935 and have designated sections 6 (b) and 10 of the act and Rules U-23 and U-42 (b) (2) thereunder

as applicable to the transactions proposed therein.

All interested persons are referred to said joint application which is on file in the offices of this Commission for a statement of the transactions proposed therein, which are summarized as follows:

Worcester County proposes to issue and sell 20,000 shares of capital stock of the par value of \$25 per share and NEES, the owner of all of Worcester County's 152,125 shares of capital stock presently outstanding, proposes to acquire said additional 20,000 shares of capital stock for a cash consideration of \$1,500,000. Worcester County proposes to apply the proceeds derived from said sale to retire \$1,500,000 principal amount of 2½% promissory notes of which there are presently outstanding under a bank letter agreement an aggregate amount of \$4,250,000.

The joint application states that incidental services in connection with the proposed transactions will be performed by New England Power Service Company, an affiliated service company, at the actual cost thereof, estimated not to exceed \$1,500 with respect to Worcester County and \$300 with respect to NEES. The total expenses to be borne by Worcester County are estimated at \$2,300. The joint application further states that the Massachusetts Department of Public Utilities has jurisdiction over the proposed sale of capital stock by Worcester County and that no State Commission or Federal Commission, other than this Commission, has jurisdiction over the acquisition of such stock by NEES.

NEES and Worcester County request that the Commission's order herein become effective upon the issuance thereof.

Notice is further given that any interested person may, not later than May 10, 1950, at 5:30 p. m., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request, the nature of his interest, and the issues of fact or law raised by said joint application which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after May 10, 1950, said joint application, as filed or as amended, may be granted as provided by Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided by Rules U-20 (a) and U-100 thereof.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 50-3757; Filed, May 3, 1950;
8:47 a. m.]

[File No. 811-232]

SECURITY CO.

NOTICE OF APPLICATION

At a regular session of the Securities and Exchange Commission, held at its
No. 86—10

office in the city of Washington, D. C., on the 28th day of April A. D. 1950.

Notice is hereby given that American Mutual Fund, Inc. (American Mutual), Bank of America Building, Los Angeles 14, California, a registered, open-end, management, investment company, has filed an application pursuant to section 8 (f) of the Investment Company Act of 1940 for an order of the Commission declaring that Security Company has ceased to be an investment company within the meaning of the act and that its registration under the act be terminated.

It appears from the application that an Agreement of Merger dated December 13, 1949, was entered into between Security Company, a California Corporation, and American Mutual, a Delaware Corporation, providing for the merger of Security Company into American Mutual as the corporation surviving the merger; that the Agreement of Merger was duly approved by the stockholders of the merging corporations and filed with the Secretaries of State of California and Delaware, whereupon the merger was effective as to Security Company and Security Company ceased to exist.

For a more detailed statement of the matters of fact and law asserted, all persons are referred to said application which is on file in the offices of the Commission in Washington, D. C.

Notice is further given that an order granting the application, subject to such conditions as the Commission may deem necessary or appropriate, may be issued by the Commission at any time after May 11, 1950, unless prior thereto a hearing upon the application is ordered by the Commission, as provided in Rule N-5 of the rules and regulations promulgated under the act. Any interested person may, not later than May 9, 1950, at 5:30 p. m., in writing submit to the Commission his views or any additional facts bearing upon this application or the desirability of a hearing thereon, or request the Commission in writing that a hearing be held thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C., and should state briefly the nature of the interest of the person submitting such information or requesting a hearing, the reasons for such request, and the issues of fact or law raised by the application which he desires to controvert.

By the Commission.

[SEAL] NELLIE A. THORSEN,
Assistant Secretary.

[F. R. Doc. 50-3758; Filed, May 3, 1950;
8:47 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567.

June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11081.

[Vesting Order 14561]

JINICHIRO OOKA

In re: Cash owned by Jinichiro Ooka also known as Jinichiro Wooka. F-39-2803-E-3.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Jinichiro Ooka also known as Jinichiro Wooka, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows: Cash in the sum of \$420.53, presently in the possession of the Treasury Department of the United States in Trust Fund Account, Symbol 158915, "Deposits, Funds of Civilian Internees and Prisoners of War," in the name of Jinichiro Ooka, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Jinichiro Ooka also known as Jinichiro Wooka, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 13, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-3780; Filed, May 3, 1950;
8:50 a. m.]

[Voting Order 500A-265]

COPYRIGHTS OF CERTAIN GERMAN NATIONALS

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the persons (including individuals, partnerships, associations, corporations or other business organizations) referred to or named in Column 5 of Exhibit A attached hereto and made a part hereof and whose last known addresses are listed in said Exhibit A as being in a foreign country (the names of which persons are listed (a) in Column 3 of said Exhibit A as the authors of the works, the titles of which are listed in Column 2, and the copyright numbers, if any, of which are listed in Column 1, respectively, of said Exhibit A, and/or (b) in Column 4 of said Exhibit A as the owners of the copyrights, the numbers, if any, of which are listed in Column 1, and covering works the titles of which are listed in Column 2, respectively, of said Exhibit A, and/or (c) in Column 5 of said Exhibit A as others owning or claiming interests in such copyrights) are residents of, or are organized under the laws of, or have their principal places of business in, such foreign country and are nationals thereof;

2. That all right, title, interest and claim of whatsoever kind or nature, under the statutory and common law of the United States and of the several States thereof, of the persons referred to in Column 5 of said Exhibit A, and also of all other persons (including individuals, partnerships, associations, corporations or other business organizations), whether or not named elsewhere in this Order including said Exhibit A, who are residents of, or which are organized under the laws of or have their principal places of business in, Germany or Japan, and are nationals of such foreign countries, in, to and under the following:

a. The copyrights, if any, described in said Exhibit A.

b. Every copyright, claim of copyright and right to copyright in the works described in said Exhibit A and in every issue, edition, publication, republication, translation, arrangement, dramatization and revision thereof, in whole or in part, of whatsoever kind or nature, and of all other works designated by the titles therein set forth, whether or not filed with the Register of Copyrights or otherwise asserted, and whether or not specifically designated by copyright number.

c. Every license, agreement, privilege, power and right of whatsoever nature arising under or with respect to the foregoing.

d. All monies and amounts, and all rights to receive monies and amounts, by way of royalty, share of profits or other emolument, accrued or to accrue, whether arising pursuant to law, contract or otherwise, with respect to the foregoing.

e. All rights of renewal, reversion or reversion, if any, in the foregoing, and

f. All causes of action accrued or to accrue at law or in equity with respect to the foregoing, including but not limited to the rights to sue for and recover all damages and profits and to request and receive the benefits of all remedies provided by common law or statute for the infringement of any copyright or the violation of any right or the breach of any obligation described in or affecting the foregoing.

is property of, and is property payable or held with respect to copyrights or rights related thereto in which interests are held by, and such property itself constitutes interests held therein by, the aforesaid nationals of foreign countries.

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described in subparagraph 2 hereof, to be held, used, administered, liqui-

dated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The term "national" as used herein shall have the meaning prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on April 6, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

Exhibit A

Column 1	Column 2	Column 3	Column 4	Column 5
Copyright Nos.	Titles of works	Names and last known nationalities of authors	Names and last known addresses of owners of copyrights	Identified persons whose interests are being vested
Unknown	Fortschritte der Teerfarbenfabrikation und Verwandter Industriezweige. [Friedlander.]	Unknown	Julius Springer, Berlin Germany (nationality, German).	Owner.
Do.	Moonlight Sonette. [Die Letzten Gedichte des Albrecht Haushofer] 1946.	Albrecht Haushofer (nationality not established).	Lothar Blumhauer, Berlin, Germany (nationality, German).	Do.

[F. R. Doc. 50-3781; Filed, May 3, 1950; 8:50 a. m.]

JOHN F. NEUKIRCHEN

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of the publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

John F. Neukirchen, Denville, New Jersey; Claim No. 37384; \$583.02 in the Treasury of the United States; seventy-six (76) shares of Carl Fischer, Inc., \$5.00 par value common stock registered in the name of the Attorney General of the United States, Account No. 28-29287, Certificates Nos. 71 and 72, each for 38 shares, presently in custody of the Safekeeping Department of the Federal Reserve Bank of New York.

Executed at Washington, D. C., on April 28, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-3786; Filed, May 3, 1950; 8:50 a. m.]

ERNST BESAG

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date

of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., and Property

Ernst Besag, Streetly, Staffordshire, England; Claim No. 4942; property described in Vesting Order No. 201 (8 F. R. 625, January 16, 1943), relating to U. S. Letters Patent Nos. 2,029,980 and 2,199,477.

Executed at Washington, D. C., on April 28, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-3784; Filed, May 3, 1950; 8:50 a. m.]

NORI ROSI AILEEN MEDUNA

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of the publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property and Location

Nori Rosi Aileen Meduna a/k/a Donaldina Meduna, Asolo, Italy; Claim No. 35785; \$4,045.51 in the Treasury of the United States; all right, title and interest of Nori Rosa Aileen Meduna, sometimes known as Donald-

Ina Meduna, in and to the estate of Donald Shaw MacLaughlin, deceased.

Executed at Washington, D. C., on April 28, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-3785; Filed, May 3, 1950;
8:50 a. m.]

[Return Order 571, Amdt.]

IDA FRANK ET AL.

Return Order No. 571, dated March 13, 1950 is hereby amended as follows and not otherwise: By deleting under property the names J. W. Spears and Sons, Inc. and J. W. Spears and Sons, Ltd. and substituting therefor the names J. W. Spear and Sons, Inc. and J. W. Spear and Sons, Ltd.

All other provisions of said Return Order No. 571 and all actions taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on April 27, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-3783; Filed, May 3, 1950;
8:50 a. m.]

[Return Order 582]

ROSE ROHRER ET AL.

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith,

It is ordered, That the claimed property, described below and in the determination, be returned, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Notice of Intention To Return Published, and Property

Rose Rohrer, Glenshaw, Pa.; Rose Rohrer Kershner, Masury, Ohio; Joseph Rohrer, Niles, Ohio; Charles T. Rohrer, New Castle, Pa.; Rose M. Cromie, New Castle, Pa.; Wil-

liam Max Rohrer, Sharon, Pa.; William Blattman, New Castle, Pa.; Claim No. 1788; February 9, 1950 (15 F. R. 727); a one-nineteenth (1/19) portion of the all right, title, interest and claim of any kind whatsoever of August Rohrer and Hercular Rohrer, and each of them in and to the Estate of Leopold Rohrer, deceased, to each of the following named individuals: Rose Rohrer, Rose Rohrer Kershner, Joseph Rohrer, William Max Rohrer and William Blattman; a four fifty-sevenths (4/57) portion of the all right, title, interest and claim of any kind whatsoever of August Rohrer and Hercular Rohrer, and each of them in and to the Estate of Leopold Rohrer, deceased, each, to Charles T. Rohrer and Rose M. Cromie; \$8,074.60 in the Treasury of the United States in five equal shares, one share each to Rose Rohrer, Rose Rohrer Kershner, Joseph Rohrer, William Max Rohrer and William Blattman; \$4,306.46 in the Treasury of the United States in equal shares to Charles T. Rohrer and Rose M. Cromie.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on April 28, 1950.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,
Acting Director,
Office of Alien Property.

[F. R. Doc. 50-3782; Filed, May 3, 1950;
8:50 a. m.]

